

**APPROVED**  
June 15 2023  
**BOARD OF RECREATION  
AND PARK COMMISSIONERS**

**BOARD REPORT**

NO. 23-126

DATE June 15, 2023

C.D. Various

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: CALIFORNIA DEPARTMENT OF EDUCATION 2023-24 CALIFORNIA STATE PRESCHOOL PROGRAM (CSPP) – ACCEPTANCE OF GRANT CONTRACT TERMS AND CONDITIONS; ACCEPTANCE OF GRANT FUNDS, IF AWARDED

B. Aguirre \_\_\_\_\_ M. Rudnick \_\_\_\_\_

C. Santo Domingo \_\_\_\_\_

\*B. Jackson BQ \_\_\_\_\_ N. Williams \_\_\_\_\_

9/16  
\_\_\_\_\_  
General Manager

Approved X \_\_\_\_\_ Disapproved \_\_\_\_\_ Withdrawn \_\_\_\_\_

If Approved: Board President [Signature] Board Secretary Sakie Sadi

**RECOMMENDATIONS**

1. Approve the Department of Recreation Parks (RAP) entering into and accepting the California Department of Education (CDE) California State Preschool Program (CSPP) Fiscal Year (FY) 2023-24 Local Agreement for Child Development Services Contract CSPP-3176 (Grant) as attached to this Report as Attachment 1, which includes the CSPP General Terms and Conditions GTC 04/2017 (GTC) and Contract Terms and Conditions (CT&C) for FY 2023-24, also attached to this Report as Attachment 1, for subsidized preschool services at RAP's licensed preschools, subject to approval as to form of the GTC and CT&C by the City Attorney;
2. Authorize RAP's General Manager or designee to accept and receive continued funding from CDE, if awarded, in the amount of Eight Hundred Seventy-Three Thousand, Five Hundred Fifteen Dollars (\$873,515) under the FY 2023-24 CSPP for subsidized preschool services at RAP's licensed preschools, and any subsequent amendments to such funding not to exceed \$25,000 per grant award (in compliance with Los Angeles Administrative Code Section 14.8(b)(1)(A)), subject to the approval of the Mayor and City Council;
3. Direct RAP staff to transmit a copy of the aforementioned grant documents to the Mayor, Office of the City Administrative Officer (CAO), Office of the Chief Legislative Analyst (CLA), and to the City Clerk for Committee and City Council approval before accepting and receiving the grant awards, pursuant to Los Angeles Administrative Code Section 14.6 et seq. as may be amended;

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4. Designate RAP's General Manager or designee as the agent to conduct all negotiations, execute and submit all grant documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the acceptance and use of Grant funds;
5. Authorize RAP's Chief Accounting Employee or designee to establish the necessary accounts and/or to appropriate funding received within "Recreation and Parks Grant" Fund 205 to accept the FY 2023-24 CSPP Grant for continued funding from CDE in the amount of Eight Hundred Seventy-Three Thousand, Five Hundred Fifteen Dollars (\$873,515) for RAP's licensed preschools, or any amount awarded in subsequent amendments to the Grant; and,
6. Authorize RAP's Chief Accounting Employee or designee to make any technical changes, as may be necessary to effectuate the intent of this Report.

### SUMMARY

At its December 15, 2022 meeting, the Board of Recreation and Parks Commissioners (Board) approved Report No. 22-309, which authorized RAP to submit an application to CDE for continued funding for FY 2023-24 preschool programs at Jim Gilliam Child Care Center and Ralph M. Parsons Preschool at EXPO Center. The application was an agreement to enter an automatic contract renewal with CDE for FY 2023-24, with the ability to review the Local Agreement for Child Development Services Contract CSPP-3176 (Grant), CSPP GTC, and CSPP CT&C for FY 2023-24, attached to this Report as Attachment 1, and with RAP having the option to opt out of the Grant by June 30, 2022 if RAP so chooses.

RAP has been receiving funding from CDE for over 36 years to provide childcare services at Jim Gilliam Child Care Center, which has a licensed capacity to serve 45 children in a high-need area, and for the last seven years at Ralph M. Parsons Preschool, which has a licensed capacity to serve up to 90 children. CSPP provides funding for subsidized care for pre-kindergarteners. The CSPP grant assists with serving children of families with incomes at or below seventy-five percent (75%) of the State median income level.

RAP received notification from CDE on May 24, 2023 of an award for CSPP, which is documented as part of the Grant attached to this Report as Attachment 1, in the amount of Eight Hundred Seventy-Three Thousand, Five Hundred Fifteen Dollars (\$873,515) for FY 2023-24. The application approved in Report No. 22-309 and the Grant award in this Report were originally intended for Jim Gilliam Child Care Center and Ralph M. Parsons Preschool at EXPO Center. However, RAP has since opened two additional licensed preschools with eight more in the process of becoming licensed. Therefore, RAP staff requests approval to utilize the FY 2023-24 CSPP Grant funds at any of RAP's prospective licensed preschools listed below, once they are licensed and authorized by CDE to utilize the Grant funds:

- Jim Gilliam Child Care Center, 4000 S. La Brea Av., Los Angeles
- Ralph M. Parsons Preschool at Expo Center, 841 MLK Bl., Los Angeles

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- Victory Valley Child Care Center, 6451 St. Clair Ave., North Hollywood
- Branford Child Care Center, 13306 Branford St., Arleta
- Van Ness Child Care Center, 5720 2<sup>nd</sup> Ave., Los Angeles
- South Park Child Care Center, 345 E. 51<sup>st</sup> St., Los Angeles
- Ira C. Massey Child Care Center, 5001 Obama Bl., Los Angeles
- Evergreen Child Care Center, 211 S. Evergreen Ave., Los Angeles
- Hubert Humphrey Child Care Center, 12560 Fillmore St., Pacoima
- Echo Child Care Center, 515 Laveta Ter., Los Angeles
- Downey Child Care Center, 219 S. Avenue 18, Los Angeles
- Banning Child Care Center, 1331 Eubank Ave., Wilmington

The award is a maximum reimbursable amount with payments made by CDE based on RAP's quarterly reports of actual enrollment, attendance, and expenses. RAP staff recommends the approval and acceptance of the Grant and the terms incorporated therein, including the CSPP GTC and CT&C for FY 2023-24, which are attached to this Report as Attachment 1.

### FISCAL IMPACT

Acceptance of a CSPP grant from CDE does not require RAP to provide matching funding, therefore, it would not impact RAP's General Fund. This grant, if approved, provides funding to continue subsidized preschool programs at RAP's licensed preschools.

### STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP's Strategic Plan by supporting:

**Goal No. 2:** Offer Affordable and Equitable Recreation Programming

**Outcome No. 1:** Improved health and social equity for young Angelenos

This Report was prepared by Jennifer Sapone, Senior Management Analyst I, Recreation Services Branch, Program Grants Section.

### LIST OF ATTACHMENTS/EXHIBITS

- 1) CDE CSPP Local Agreement for Child Development Services Contract CSPP-3176, General Terms and Conditions (GTC 04/2017) and Contract Terms and Conditions (CT&C) for FY 2023-24


**CALIFORNIA DEPARTMENT OF EDUCATION**
**F.Y. 23 - 24**
**LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES**
**DATE:** July 01, 2023
**CONTRACT NUMBER:** CSPP-3176
**PROGRAM TYPE:** CALIFORNIA STATE  
PRESCHOOL PROGRAM
**PROJECT NUMBER:** 19-2182-00-3
**STATE AGENCY:** CALIFORNIA DEPARTMENT OF EDUCATION

**CONTRACTOR'S NAME:** CITY OF LOS ANGELES-DEPARTMENT OF RECREATION AND PARKS

This Agreement is entered into between the State Agency and the Contractor named above. The Contractor agrees to comply with the terms and conditions of the CURRENT APPLICATION\*; the GENERAL TERMS AND CONDITIONS (GTC 04/2017)\*; the CALIFORNIA STATE PRESCHOOL PROGRAM CONTRACT TERMS AND CONDITIONS (CT&C)\* and any subsequent changes to the CT&C\*, which are by this reference made a part of this Agreement. Where the GTC 04/2017 conflicts with the CT&C, the CT&C will prevail.

Funding of this contract is contingent upon appropriation and availability of sufficient funds. This contract may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this contract.

The period of performance for this contract is July 01, 2023 through June 30, 2024.

For satisfactory performance of the required services, the contractor shall be reimbursed in accordance with the Determination of Reimbursable Amount Section of the CT&C, based on the contract rate (which is the service county reimbursement rate as provided in <https://www.cde.ca.gov/fg/aa/cd/documents/csppcontractrates.xlsx>, applicable to the sites, as located in the service counties, approved by the Early Education Division and indicated in the Child Development Management Information System), the Minimum Days of Operations (MDO), which is based on the approved program calendar, and the Maximum Reimbursable Amount (MRA) of \$873,515.00.

During the term of this contract, the contract rate, the MDO and the MRA may be adjusted through an Allocation Letter issued to the Contractor by State Agency.

**SERVICE REQUIREMENTS**

MDO: 246

Any provision of this contract found to be in violation of Federal or State statute or regulation shall be invalid but such a finding shall not affect the remaining provisions of this contract.

Items shown with an asterisk (\*), are hereby incorporated by this reference and made part of this Agreement as if attached hereto.

Amendments to any of these asterisked documents during the term of this contract shall be incorporated by reference as of the date issued by State Agency without need for formal amendment. These documents can be viewed at <http://www.cde.ca.gov/fg/aa/cd/ctc2023.asp>.

**IMPORTANT: Signature is not required. Pursuant to the submission of the Continued Funding Application, this agreement will automatically take effect July 01, 2023 unless rejected in writing by June 30, 2023.**

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ <u>873,515</u>	PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE	
	Child Development Programs		General	
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ <u>0</u>	(OPTIONAL USE) 0656			
	25451-2182			
TOTAL AMOUNT ENCUMBERED TO DATE \$ <u>873,515</u>	ITEM 30.10.020.001	CHAPTER	STATUTE	FISCAL YEAR
	6100-194-0001	B/A	2023	2023-2024
OBJECT OF EXPENDITURE (CODE AND TITLE)				
706 SACS: Res-0000 Rev-0000				

**CALIFORNIA DEPARTMENT OF EDUCATION**  
**California State Preschool**  
**Contract Terms and Conditions (CT&C)**  
**FISCAL YEAR 2023–24**

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## INTRODUCTION

These are the Contract Terms and Conditions (CT&C) for preschool for fiscal year 2023–24. Each contractor is required as a condition of its contract (“The Contract”) with the California Department of Education (CDE), to adhere to the terms and conditions set forth in this document as well as all of the following laws and documents, as may be in effect during the 2023–24 fiscal year:

1. Any applicable state statutes;
2. The CDE Audit Guide;
3. The California School Accounting Manual;
4. The procedures and standards set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (2 *CFR* Part 200 and Title 45 *CFR* Part 75), hereinafter referred to as Uniform Guidance (UG);
5. Title 5 California Code of Regulations (5 *CCR*) Division 1, Chapter 18.5, beginning with sections 17700 et seq., including any successor regulations that may be adopted and applicable to California State Preschool Program (CSPP) as well as any informal guidance that may be issued in accordance with state law including, but not limited to, the Rate Reform Implementation Guidance. NOTE: Guidance documents shall only be in effect until superseding regulations are promulgated in 5 *CCR*;
6. [Title 22](#) California Code of Regulations (22 *CCR*), community care facilities license regulations, including child care centers; if applicable;
7. Any other requirements incorporated into the contract (including any approved pilot plan), in addition to all other applicable laws and regulations, including any applicable state or federal law and regulations that may become effective during the term of this contract.

**Any non-compliance with the CT&C may subject the contractor to termination of the contract. Any variance from the CT&C must be authorized in writing by the CDE and signed by the Director of the Early Education Division (EED) or the Director’s authorized representative.**

Contractors may adopt any reasonable policies relating to the administration of the program so long as such policies are not in conflict with law, regulations, or the terms of this contract, including any contract amendments. Those families potentially affected by the policies shall be duly notified, as provided for in statute and regulation, and contractors shall adhere to any due process requirements, if applicable.

CSPP contracts may be funded with state general funds, Proposition 98 funds, federal funds, or a combination of funds. The funding amounts and sources are listed on the contract encumbrance page of each contract.

Contracts may be fully or partially funded through a grant from the federal Department of

Health and Human Services and subject to the United States Code of Federal Regulations (*CFR*) 45, Parts 98 and 99, the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended by the CCDBG Act of 2014, Public Law 1113-186, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42 USC 9858.

If the Catalogue of Federal Domestic Assistance (CFDA) number is 93.596 (shown as FC# in the funding block), the fund title is Child Care Mandatory and Matching Funds of the Child Care and Development Fund. If the CFDA number is 93.575, the fund title is Child Care and Development Block Grant subject to the Child Care and Development Block Grant Act of 1990, the Omnibus Budget Reconciliation Act of 1990, Section 5082, Public Law 101-508, as amended, Section 658J and 658S, and Public Law 102-586.

Contractors are expected to review the source of their funding and abide by any legal requirements associated with such funding. Contracts may be amended during the fiscal year with the consent of the CDE, either through issuance of a signed contract amendment or through issuance of an Allocation letter.

## I. DEFINITIONS

Any terms not defined in this section shall be defined, if applicable, as set forth in the *Education Code (EC)* or in 5 *CCR*.

"Actual and allowable net costs" means the costs which may be reimbursed under a preschool contract after disallowed costs and restricted income have been subtracted from total expenditures. 5 *CCR* 17700(a)

"Additional funds" means award of new contracts or expanded contracts that increase the contractor's level of administrative responsibility. Additional funds do not include cost of living adjustments, rate increases or one-time-only supplemental funds. 5 *CCR* 17700(b)

"Adjusted child days of enrollment" means child days of enrollment after adjustment factors specified in *EC* 8245 have been applied. 5 *CCR* 17700(c)

"Adjusted monthly income" means total countable income, minus verified child support payments paid by the parent whose child is receiving preschool services, excluding the non-countable income listed below: 5 *CCR* 17700(d)

1. Earnings of a child under age eighteen (18) years;
2. Loans;
3. Grants or scholarships to students for educational purposes;
4. Federal Supplemental Assistance Program (CalFRESH/SNAP) or Women, Infants and Children (WIC) benefits or other food assistance;
5. Earned Income Tax Credit or tax refund;
6. GI Bill entitlements, hardship duty pay, hazardous duty pay, hostile fire pay, or imminent danger pay;
7. Adoption assistance payments received pursuant to Welfare and Institutions (W&I) Code Section 16115 et seq.;
8. Non-cash assistance or gifts;
9. All income of any individual counted in the family size who is collecting federal Supplemental Security Income (SSI) or State Supplemental Program (SSP) benefits;
10. Insurance or court settlements including pain and suffering and excluding lost wages and punitive damages;
11. Reimbursements for work-required expenses such as uniforms, mileage, or per diem expenses for food and lodging;
12. Business expenses for self-employed family members;



13. When there is no cash value to the employee, the portion of medical and/or dental insurance documented as paid by the employer and included in gross pay;
14. Disaster relief grants or payments, except any portion for rental assistance or unemployment;
15. AmeriCorps Volunteers In Service to America (VISTA) and Federal Emergency Management Agency (FEMA) stipends, room and board, and grants;
16. Payments made on behalf of a child pursuant to Section 11460, 11461.3, 11461.36, or *WIC* 11461.4; and
17. Guaranteed income payments received by an individual.

"Administrative costs" means costs incurred for administrative activities where neither the family, the child nor the service providers operating family child care homes directly benefit from the activity. 5 *CCR* 17700(e)

"Adult" means a person who is at least eighteen (18) years of age. 5 *CCR* 17700(f)

"Agency" or "Contractor" refers to any entity that is authorized to perform preschool services pursuant to the EC. An agency may be a public agency or private agency.

"Agricultural work" or "agricultural labor" means all service performed:

1. on a farm, in the employ of any person, in connection with cultivating the soil, or in connection with the production or processing of any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife;
2. in the employ of the operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane;
3. in the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, canning, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity.

The definition of agricultural work shall not be deemed to be applicable with respect to service performed in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or on a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer. As used in this subsection, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards. 34 *CFR* Part 200

"Allocation Letter" means a letter issued to the contractor by the CDE which amends the CSPP

contract to either: 1) change the contract's Maximum Reimbursable Amount; and/or 2) change the Contract Rate(s) reflected in the contract; and/or 3) change the Minimum Days of Operation in the contract. An Allocation Letter is issued at the sole discretion of the CDE and need not be counter-signed by the contractor to have full force and effect as an amendment to the contract.

"Applicant or contracting agency" means a school district, community college district, college or university, county superintendent of schools, county, city, public agency, private, non-tax-exempt agency, private tax-exempt agency, or other entity that is authorized to establish, maintain, or operate services. Private agencies and parent cooperatives, duly licensed by law, shall receive the same consideration as any other authorized entity with no loss of parental decision-making prerogatives as consistent with the provisions of this chapter. *EC 8205(a)*

"At risk of abuse, neglect, or exploitation" refers to children who are so identified in a written referral from a legal, medical, social services agency, or emergency shelter. *EC 8205(g)*

"Attendance" means the number of children present at a preschool facility. "Attendance," for purposes of reimbursement, includes excused absences by children because of illness, quarantine, illness or quarantine of their parent, family emergency, or to spend time with a parent or other relative as required by a court of law or that is clearly in the best interest of the child. *EC 8205(c)*

"Audit Guide" refers to the most recent CDE *Audit Guide*, which is a resource for audit requirements and guidance applicable to certain state and federal programs operated by private and public organizations under agreements with the CDE. The *Audit Guide* should be used by independent auditors in conducting audits of state and federal early childhood programs.

"Authorized representative" means, a person who has been given authority to perform a task for a parent or a contractor. *5 CCR 17700(h)*

"Benefit to the State" means that the activity will improve knowledge or expertise in areas directly related to subsidized preschool services. *5 CCR 17700(i)*

"Bonus" means the awarding of additional compensation beyond what was either agreed to between employee and contractor or planned ahead of time in a policy or plan.

"California School Accounting Manual" refers to the most recent guide published by the CDE which provides accounting policies and procedures, as well as guidance in implementing those policies and procedures.

"California State Preschool Program" means those programs that offer part-day or full-day, or both, educational programs for eligible three- and four-year-old children as well as children eligible pursuant to *EC 48000(l)*. These programs may be offered by a public, private, or proprietary agency, and operated in childcare centers or family childcare homes operating through a family childcare home education network. *EC 8205(w)*

"California State Preschool Program Neighborhood School Sites" means a CSPP site that has been verified as operating within the attendance boundaries of a qualified Free and Reduced

Price Meal (FRPM) elementary school.

“CalWORKs cash aid recipient” means an adult or minor teen parent who receives cash aid from the county welfare department for the CalWORKs or Cal-Learn program.

“Ceases operation” means the contractor does not provide subsidized services in accordance with the contractor’s program operating calendar submitted to and approved by the CDE for the applicable contract period. 5 CCR 17700(m)

“Center-based programs” means all contracted preschool programs providing services directly to children at a center as opposed to a family child care home.

“Certified schedule” means the number of hours per day and/or week that a family is approved to receive subsidized preschool services. This is also referred to sometimes as a “child care schedule.” 5 CCR 17700(n)

“Child Days of Enrollment” means the total number of days every child is certified to attend a CSPP, regardless of attendance.

“Child development fund” means the restricted fund used by the contractor to account for contract funds and related net reimbursable program costs. 5 CCR 17817, EC 8271

“Child Protective Services” (CPS) means children receiving protective services through the local county welfare department as well as children identified by a legal, medical, social service agency or emergency shelter as abused, neglected or exploited or at risk of abuse, neglect or exploitation.

“Children with disabilities” has the same definition as “children with exceptional needs” as set forth in in EC 8205(h):

1. Children under three years of age who have been determined to be eligible for early intervention services pursuant to the California Early Intervention Services Act (Title 14 (commencing with Section 95000) of the Government Code) and its implementing regulations. These children include an infant or toddler with a developmental delay or established risk condition, or who is at high risk of having a substantial developmental disability, as defined in subdivision (a) of Section 95014 of the Government Code. These children shall have active individualized family service plans and shall be receiving early intervention services.
2. Children 3 to 21 years of age, inclusive, who have been determined to be eligible for special education and related services by an individualized education program team according to the special education requirements contained in Part 30 (commencing with Section 56000) of Division 4 of Title 2, and who meet eligibility criteria described in Section 56026 and, Article 2.5 (commencing with Section 56333) of Chapter 4 of Part 30 of Division 4 of Title 2, and Sections 3030 and 3031 of 5 CCR. These children shall have an active individualized education program and shall be receiving early intervention services or appropriate special education.

“Children with exceptional needs” means, as set forth in EC 8205(h) either of the following:

1. Children under three years of age who have been determined to be eligible for early intervention services pursuant to the California Early Intervention Services Act (Title 14 (commencing with Section 95000) of the Government Code) and its implementing regulations. These children include an infant or toddler with a developmental delay or established risk condition, or who is at high risk of having a substantial developmental disability, as defined in subdivision (a) of Section 95014 of the Government Code. These children shall have active individualized family service plans and shall be receiving early intervention services.
2. Children 3 to 21 years of age, inclusive, who have been determined to be eligible for special education and related services by an individualized education program team according to the special education requirements contained in Part 30 (commencing with Section 56000) of Division 4 of Title 2, and who meet eligibility criteria described in Section 56026 and, Article 2.5 (commencing with Section 56333) of Chapter 4 of Part 30 of Division 4 of Title 2, and Sections 3030 and 3031 of 5 CCR. These children shall have an active individualized education program and shall be receiving early intervention services or appropriate special education.

"Children with severe disabilities" are children with exceptional needs from birth to twenty-one (21) years of age, inclusive, who require intensive instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbance or severe developmental disability. These children may be assessed by public school special education staff, regional center staff or another appropriately licensed clinical professional. *EC 8205(s)*

"Commingled early childhood services" means the provision of services to both CSPP and non-CSPP children in the same classroom at the same time.

"Contract monitoring review" means the monitoring and review process for preschool programs that is used to determine compliance with applicable laws, regulations, and contractual provisions. This may include, but is not limited to, an on-site compliance review, remote monitoring, technical assistance, and targeted support. *5 CCR 17794*

"Contract period" means the time span the contract is in effect as specified in the preschool contract.

"Contract Rate(s)" means the applicable rate(s) for CSPP, (which is the service county reimbursement rate as provided in the contract, applicable to the sites, as located in the service counties, approved by the EED and indicated in the Child Development Management Information System).

"CSPP eligible four-year-old children" means children who will have their fourth birthday on or before December 1 of the fiscal year in which they are enrolled in a CSPP, or a child whose fifth birthday occurs after September 1 of the fiscal year in which they are enrolled in a California state preschool and whose parent or guardian has opted to retain or enroll them in a CSPP. *EC 8205(ab)*

"CSPP eligible three-year-old children" means children who will have their third birthday on or

before December 1 of the fiscal year in which they are enrolled in a CSPP. Children who have their third birthday on or after December 2 of the fiscal year, may be enrolled in a CSPP on or after their third birthday. Any child under four years of age shall be served in a CSPP facility, licensed in accordance with 22 CCR. EC 8205(aa)

“Day of Operation” means a day in which the contractor provides service to one or more certified children enrolled in a CSPP

"Declaration" means a written statement signed by a parent under penalty of perjury attesting that the contents of the statement are true and correct to the best of his or her knowledge. 5 CCR 17700(t)

"Depreciation" means a cost in the current fiscal year that is based on acquisition costs, less any estimated residual value, computed on a straight-line method (based on the normal, estimated useful life expectancy of the asset). 5 CCR 17700(u)

"Developmental profile" means a record of a child's physical, cognitive, social, and emotional development that is used to inform teachers and parents about a child's developmental progress in reaching expected child outcomes. In center-based programs, teacher and parent observations shall be included as part of the information used to complete the child's developmental profile. In family child care home education networks, the observations of agency staff, in consultation with provider, and parents shall be included as part of the information used to complete the child's developmental profile. 5 CCR 17700(x)

“Desired Results Developmental Profiles” are documents used to record the information in the developmental profile and must include one of the desired results developmental profiles set forth in 5 CCR 17700(v).

"Disallowed costs" means costs that have been incurred but are not reimbursable because they are not reasonable and/or necessary for the performance of the contract or are otherwise nonreimbursable. 5 CCR 17700(y)

"Displace families" means to disenroll families in order to reduce service levels due to insufficient funding or inability of a contractor to operate one or more sites because of reasons stated in EC 8249. 5 CCR 17700(z)

“Dual language learner children” means children whose first language is a language other than English or children who are developing two or more languages, one of which may be English. EC 8205(o)

“Early childhood programs” means those programs that offer a full range of services for children from infancy to 13 years of age, for any part of a day, by a public, private, or proprietary agency, in centers and family childcare homes. EC 8205(f)

“Education program” for purposes of program quality, means the environment, activities, and services provided to the children. 5 CCR 17700(ab)

“Employment agreement” is a formal agreement that specifies the conditions of the relationship between an individual employee and an employer including compensation and expectations.

Also referred to as an employment contract.

“Environment rating scale” means an instrument that measures program quality by rating the education program (5 *CCR* 17703), the staff professional development program (5 *CCR* 17704), and family engagement (5 *CCR* 17705). 5 *CCR* 17000(ac)

Environment rating scales include the following versions:

1. “ECERS-R” means the document entitled, Early Childhood Environment Rating Scale Revised 1998;
2. “FDCERS” means the document entitled, Family Child Care Environment Rating Scale 1989.

“Expulsion” means the permanent dismissal of a child from a program in response to a child’s behavior. *EC* 8489(a).

“Et seq.” as used in this document means “and the following sections.” For example: “5 *CCR* Division 1, Chapter 18.5, beginning with sections 17700 et seq.” refers to 5 *CCR* section 17700 and the following sections.

“Families experiencing homelessness” means parents, children, and youths as individuals who lack a fixed, regular, and adequate nighttime residence as set forth in 42 USC 11434a(2). This includes children and youths who:

1. share the housing of other persons due to loss of housing, economic hardship, or a similar reason;
2. live in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;
3. live in emergency or transitional shelters; or are abandoned in hospitals;
4. have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
5. live in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
6. are migratory children who qualify as homeless because the children are living in circumstances described above. (42 USC 11301 et seq.)

“Family” means the parents and the children for whom the parents are responsible; who comprise the household in which the child receiving services is living. For purposes of income eligibility and family fee determination, when a child and his or her siblings are living in a family that does not include their biological or adoptive parent, “family” shall be considered the child and related siblings. 5 *CCR* 17700(ad)

“Family child care home education network” means an entity organized under law that

contracts with the department to make payments to licensed family child care home providers and to provide education and support services to those providers and to children and families eligible for CSPP services. *EC 8205(k)*

“Family Child Care Homes” means a facility that regularly provides care, protection, and supervision for 14 or fewer children, in the provider’s own home, for periods of less than 24 hours per day, while the parents or guardians are away, and is either a large family daycare home or a small family daycare home. Health and Safety Code (*H&SC*) 1596.78

“Family child care provider” means a child care provider who participates in a preschool program and operates a family child care home, as defined in *H&SC* 1596.78, and who is licensed pursuant to the requirement in *H&SC* 1596.80.

“Family engagement and strengthening” means those activities specifically designed to include parents in the education of their children, help parents participate in the program, and enhance their understanding of child development. 5 *CCR* 17700(ae)

“Family fee” means the fee determined from the family fee schedule.

“Family Fee Schedule” means the fee schedule developed by the State Superintendent of Public Instruction (SSPI), in conjunction with the State Department of Social Services, pursuant to *EC 8252*. 5 *CCR* 17700(ag)

“Family size” means the number of people constituting a “family” as determined by documentation supporting the number of children and parents in the family.

“Full signature” means the legal signature of the individual (e.g., signature normally used on checks and other documents). If the individual is not literate in written English, the individual may sign with an “X” which must be initialed by the contractor’s authorized representative (5 *CCR* 17818). Pursuant to *EC 8234*, the use of a digital signature shall have the same force and effect as the use of a manual signature, if it meets accepted CDE program and technology requirements.

“Funded enrollment” means the number of subsidized children funded to be enrolled, based on the Maximum Reimbursable Amount, contract rate, and approved program calendar, by a CSPP contractor, pursuant to *EC 8205(ae)*.

“Guaranteed income payments” mean unconditional, recurring, regular cash payments, whether publicly or privately funded, that are intended to support the basic needs of eligible recipients, including, but not limited to, payments provided through pilot programs and projects receiving funding from the California Guaranteed Income Pilot Program (Chapter 16 (commencing with Section 18997) of Part 6 of Division 9 of the *WIC*). *EC 8213*

“Income fluctuation” means income that varies due to:

1. Migrant, agricultural, or seasonal work;
2. Inconsistent, and/or unstable employment, or self-employment resulting in an inconsistent pattern of income; or

3. Intermittent, occasional, sporadic, or infrequent earnings or income, including but not limited to bonuses, commissions, lottery winnings, inheritance, back child support payment, overtime or net proceeds from the sale of real property or stock. 5 CCR 17700(ai)

"Indirect costs" means an incurred cost that benefits more than one program and cannot be readily assigned to the benefitting programs. 5 CCR 17700(aj)

Examples of indirect costs are described in the federal cost principles codified under the *UG*, 2 CFR, 200.414.

"Indirect cost allocation plan" means a written CDE-approved plan which provides justification and rationale for assigning the relative share of indirect costs across more than one program or contract. School districts and county offices of education shall use the CDE approved rate if it is less than ten percent (10%). A Nonprofit's Board of Directors must approve a contractor's indirect cost allocation plan. 5 CCR 1700(ak)

"Initial certification" means the formal process for completing an application for services and collecting information and documentation to determine that the family and/or child meets the legal requirements for receipt of subsidized preschool services. The dated signature of the contractor's authorized representative on an application for services certifies that the legal requirements have been met and begins the period of eligibility. 5 CCR 17700(al)

"Legally qualified professional" means a person licensed under applicable laws and regulations of the State of California to perform legal, medical, health or social services for the general public. 5 CCR 17700(am)

"Licensed-exempt provider" means an individual or organization that is not required to be licensed, as specified in *H&SC* 1596.792, or any other federal law or regulation.

"Licensed provider" means an individual or organization that has obtained a child care license, as specified in 22 CCR 101152. *H&SC* 1596.90

"Local education agency (LEA)" means a school district, a county office of education, a community college district, or a school district on behalf of one or more schools within the school district. *EC* 8205(ad). Direct fund charter schools that have been funded to operate preschool programs are also considered to be LEAs.

"Magnet school" means an entire school with a focus on a special area of study, such as science, the performing arts, or career education, designed to attract pupils from across the school district who may choose to attend the magnet school instead of their local public school. 5 CCR 17700(an)

"Maximum reimbursable amount" means the total dollar amount of a contract. Reimbursement from the State shall not exceed the maximum reimbursable amount. The initial maximum reimbursable amount shall be the approved original version of the annual contract based on the Budget Act as signed by the Governor. 5 CCR 17700(ao)

"Minimum Days of Operation" means the minimum number of days that a contractor is required to operate under their contract.



"Monthly attendance record or invoice" means documentation that includes, at a minimum, the name of the child receiving services, the dates and actual times care was provided each day, including the time the child entered and the time the child left care each day, that is signed under penalty of perjury by both the parent or guardian and the child care provider, attesting that the information provided is accurate.

"Net reimbursable program costs" means the portion of the actual and allowable net costs that are incurred in the provision of preschool services for CSPP children. 5 CCR 17700(ap)

"New contract" means a contract award to applicants who do not currently contract with the CDE for preschool services. 5 CCR 17700(aq)

"Notice of Action, Application for Services" means a written statement of specific information issued by the contractor that informs the applicant of the contractor's decision to approve or deny preschool services. See requirements for a description of the specific information that must be included to have the contractor's decision reviewed. 5 CCR 17782

"Notice of Action, Recipient of Services" means a written statement of specific information issued by the contractor informing the family receiving preschool services that a change has been made to their service agreement. These changes may include, but are not limited to, need and eligibility requirements that are no longer being met, or fees have not been paid, or the fee or amount of services provided by the contractor will be modified. 5 CCR 17783

"On-site compliance review" means that a team of the CDE staff reviews a contractor's program at the program site. 5 CCR 17794(a)(2)

"Parent" means a biological parent, adoptive parent, stepparent, foster parent, caretaker, relative, legal guardian, or domestic partner of the parent as defined in *Family Code* Section 297, or any other adult living with a child who has responsibility for the care and welfare of the child. EC 8205(p). 5 CCR 17700(ar)

"Parental Incapacity" means the temporary or permanent inability of the child's parent(s) to provide care and supervision of the child(ren) for part of the day due to a physical or mental health condition. 5 CCR 17700(at)

"Parent survey" means a questionnaire completed by the parent to assess the child care program or services that the child and family receive. The parent survey asks for information about how the program helps parents support their child's learning and development and meets the family's needs. 5 CCR 17700(as)

"Persistent and serious behaviors" means either repeated patterns of behavior that significantly interfere with the learning of other children, or interactions with peers and adults that are not responsive to the use of developmentally appropriate guidance. This includes, but is not limited to, physical aggression, property destruction, and self-injury. EC 8489(e)

"Preschool services" means services provided through a CSPP. 5 CCR 17700(au)

"Private agency" or "Private contractor" means an entity other than a public agency that is tax exempt or non-tax exempt and under contract with the CDE for the provision of preschool

services. 5 CCR 17700(av)

“Program self-evaluation process” means those activities and procedures used by the contractor to evaluate its program quality and compliance with applicable laws, regulations, and contractual provisions. 5 CCR 17700(aw)

"Public agency" or "Public contractor" means a school district, community college district, county superintendent of schools, campus of the California State University or the University of California system, county, city or other public entity under contract with the CDE for the provision of preschool services. 5 CCR 17700(ax)

“Qualified FRPM school” is a public elementary school, that is not a charter or magnet school, where at least 80% of the enrolled students are eligible for the Free and Reduced Priced Meal program. 5 CCR 17700(ay)

"Reasonable and necessary costs" are those costs that do not exceed what an ordinarily prudent person would incur in the conduct of a competitive business under the circumstances prevailing at the time of the decision to incur the cost, and whether the cost is of a type recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of the award. 5 CCR 17700(az) 2 CFR 200.404

“Recertification” means the formal processes the contractor goes through to collect information and documentation to determine that the family and/or child continues to meet the criteria for receipt of subsidized full-day preschool services. The dated signature of the contractor’s authorized representative on an application for services certifies that the criteria have been met, and begins the period of eligibility. 5 CCR 17700(ba)

"Recipients of service" means families and/or children enrolled in preschool program subsidized by the CDE. 5 CCR 17700(bb)

"Restricted income" means income which the donor designates may only be expended for specific limited purposes that would be reimbursable according to the contract. 5 CCR 17700(bd)

“Self-Certification of Income” means a declaration signed by the parent under penalty of perjury identifying:

1. To the extent known, the employer’s name, address, start date of work, the rate and frequency of pay, total amount of income received for the preceding month(s), the type of work performed, and the hours and days worked; or
2. That the parent does not have income from employment and any source of income used to support the family including non-wage income. 5 CCR 17700(be)

“Service agreement” is a legal instrument by which the agency purchases services needed to carry out the preschool programs. Legal instruments that include services which are clearly incidental to the agreement are not considered service agreements.

“Service-county rate” means the reimbursement rate based on where CSPP services are

provided, as specified by state law and provided in the contract.

"Service delivery area" means the community, geographic area, or political subdivision in which the preschool services are to be provided as specified in the Request for Applications. 5 CCR 17700(bf)

"Service earnings" is a calculation based on the adjusted child days of enrollment for certified children, pursuant to EC 8244 and 8245, times the service county rate per child day of enrollment, times the actual percentage of attendance plus five percent (5%), but in no case to exceed one hundred percent (100%) of enrollment.

"Site supervisor" means a person, who, regardless of his or her title, has operational program responsibility for a preschool at a single site. A site supervisor shall hold a permit issued by the Commission on Teacher Credentialing that authorizes supervision of a preschool program operating in a single site. The Superintendent of Public Instruction may waive the requirements of this subdivision if the Superintendent determines that the existence of compelling need is appropriately documented. EC 8205(t).

A site supervisor may qualify under any of the provisions above, or may qualify by holding an administrative credential or an administrative services credential. A person who meets the qualifications of a site supervisor under both EC 8205 and 8298 is also qualified under this subdivision.

"Social service agency" means an agency that, in the course of day-to-day business, provides personal counseling, personal or group therapy provided by personnel properly certified or licensed under California law. Examples of such agencies include county welfare departments and county mental health departments.

"Staff professional development program" means those activities that address the needs, interests, and skills of program staff or service providers to improve program quality. 5 CCR 17700(bg)

"State median income" means the most recent median income for California families as determined by the State Department of Finance (DOF). EC 8213

"Subcontract" means a written agreement between the contractor and any entity to perform a service on behalf of the contractor. 5 CCR 17700(bh)

"Subcontract for preschool services" means a specific type of subcontract where the contractor enters into a written agreement with another entity to carry out all or part of the preschool services.

"Subsidized families" means eligible families who are receiving early childhood services and, on whose behalf, the CDE or the California Department of Social Services (CDSS) is providing a reimbursement, in whole or in part.

"Superintendent" unless otherwise noted, refers to the California State Superintendent of Public Instruction (SSPI). EC 95

“Support services” means those services which, when combined with preschool services, help promote the healthy physical, mental, social and emotional growth of children and families. *EC 8205(x)*

“Suspension” means any removal of a child from all or part of the program day, or the prevention of a child from attending the program for one or more days, in response to the child’s behavior. *EC 8489(d)*

“Total countable income” means all income of the individuals counted in the family size including, but not limited to, the following:

1. Gross wages or salary, advances, commissions, overtime, tips, bonuses, gambling or lottery winnings;
2. Wages for migrant, agricultural, or seasonal work;
3. CalWORKs cash aid;
4. Gross income from self-employment less business expenses with the exception of wage draws;
5. Disability or unemployment compensation;
6. Workers compensation;
7. Spousal support, child support received from the former spouse or absent parent, or financial assistance for housing costs or car payments paid as part of or in addition to spousal or child support;
8. Survivor and retirement benefits;
9. Dividends, interest on bonds, income from estates or trusts, net rental income or royalties;
10. Rent for room within the family’s residence;
11. Financial assistance received for the care of a child living with an adult who is not the child’s biological or adoptive parent;
12. Veterans pensions;
13. Pensions or annuities;
14. Inheritance;
15. Allowances for housing or automobiles provided as part of compensation;
16. Insurance or court settlements for lost wages or punitive damages;
17. Net proceeds from the sale of real property, stocks, or inherited property; or

18. Other enterprise for gain. 5 CCR 17700(bi)

"Total expenditures" means all costs for the provision of subsidized services under the contract and any nonsubsidized services which are provided in commingled classrooms with commingled preschool services. 5 CCR 17700(bj)

"Unrestricted income" means income that has no restrictions regarding use by the donor, and income restricted by the donor for purposes that are not reimbursable according to the contract, including income for services to children not subsidized by the contract. 5 CCR 17700(bl)

"Unsubsidized" or "nonsubsidized" refers to children or families other than eligible families receiving reimbursement for preschool services by the state.

"Use allowance" means an alternate method for claiming the use of the contractor's assets as a cost when depreciation methods are not used. 5 CCR 17700(bm)

## II. GENERAL PROVISIONS

### A. Notification of Address Change

(5 CCR 17787)

1. Contractors shall notify the CDE in writing of any change in the mailing address for communication regarding the contract (administrative address) 30 days prior to the address change. For non-public agencies, the notification must be accompanied by:
  - a. Board minutes verifying the change in address; and
  - b. A copy of the notification to the Internal Revenue Service of the address change.
2. Contractors shall notify the CDE in writing of any proposed change in operating facility address(es) at least thirty (30) calendar days in advance of the change unless such change is required by an emergency such as fire, flood, or earthquake.

### B. Notification of E-mail Contact Changes

Contractors shall ensure that at all times the e-mail address on file at the CDE is accurate for contacting the following individuals:

1. Executive Officer
2. Program Director

Contractors shall utilize procedures provided by the CDE to electronically add new addresses or delete old addresses, as needed.

### C. Notification of Enrollment or Banking Changes for Electronic Funds Transfer

Contractors shall follow the requirements below when requesting payment method updates.

1. Contractors shall notify the CDE in writing of any proposed change in payment method or bank account information at least thirty (30) calendar days in advance. Notification shall not include banking information.
2. Contractors shall notify the Foundation for California Community Colleges (FoundationCCC) of a change of payment method or banking information at least thirty (30) calendar days in advance. When requesting a change, contractors shall email FoundationCCC at [payments@foundationccc.org](mailto:payments@foundationccc.org) to receive a JotForm link.

### D. Materials Developed with Contract Funds

(5 CCR 17788)

If the contractor receives income from materials developed with contract funds, the use of the income shall be restricted to the preschool program.

If the materials were developed in part with contract funds, a portion of the income from the sale of the materials shall be used in the preschool program and be computed in direct proportion to the share of contract funds used in development of the materials.

Materials developed with contract funds shall contain an acknowledgement of the use of state general or federal funds in the development of materials and a disclaimer that the contents do not necessarily reflect the position or policy of the CDE.

E. Prohibition Against Religious Instruction or Worship

(5 CCR 17789)

Contractors shall not provide nor be reimbursed for preschool services which include religious instruction or worship.

F. Issuance and Use of Checks

(5 CCR 17790)

Except for external payroll services, private contractors:

1. Shall not use any pre-signed, pre-authorized, or pre-stamped checks without the prior written approval of the CDE; and
2. Shall require two (2) authorized signatures on all checks unless:
  - a. The contractor has a policy approved by its governing board requiring dual signatures only on checks above a specified dollar amount; and
  - b. The annual audit verifies that appropriate internal controls are maintained.

G. Prohibition Against Loans and Advances

(5 CCR 17791)

1. Contractors shall not loan contract funds to individuals, corporations, organizations, public agencies or private agencies.
2. Contractors shall not advance unearned salary to employees.
3. Contractors shall not make advance payments to subcontractors and shall compensate subcontractors after services are rendered or goods are received except for:
  - a. Subcontractors providing preschool services; and
  - b. Subcontractors with subcontracts exempt from the provisions of 5 CCR 17797.

H. Contracts with Multiple Service Areas

(5 CCR 17793)

1. Contractors with more than one service delivery area as specified in and funded through a single contract shall maintain service at the same level, plus or minus ten percent (10%) of the contracted child hours or child days of enrollment as applicable, in the individual service area(s) specified in its current contract.
2. The contractor may request approval from the CDE to vary service levels by more than ten percent (10%) if the contractor can demonstrate that the need for services in the designated area(s) has changed.
3. The CDE shall approve or deny the variable service level request within thirty (30) calendar days of receipt of the request.
4. If the variable service level request is denied, the contractor may appeal this decision in accordance with 5 CCR 17833.

I. Compliance Reviews

(5 CCR 17794)

The CDE shall provide ongoing support as part of the contract monitoring review (CMR) process to ensure the contractor's compliance with applicable laws, regulations, and contractual provisions. Contractors must cooperate with, and respond promptly to, requests from the CDE during the CMR.

1. At least once every four (4) years, and as resources permit, the CDE shall complete an on-site compliance review. Contractors may receive an on-site compliance review more frequently under the following conditions:
  - a. If the contractor has a provisional contract, as defined in *EC 8314*.
  - b. If the contractor has a conditional contract, as defined in *EC 8314*.
  - c. If the contractor has a contract operating a program site with health and safety violations from Community Care Licensing.
  - d. If there have been whistleblower complaints related to the contract.
2. The contract monitoring reviews and on-site compliance reviews shall be conducted by consultants, analysts, and/or management staff of the CDE or other State of California representatives.

J. Contractor's Termination for Convenience

(5 CCR 17795)

1. A contractor may terminate the contract for any reason during the contract term.
2. The contractor shall notify the CDE of its intent to terminate the contract at least



ninety (90) calendar days prior to the date the contractor intends to terminate the contract.

3. Within fifteen (15) days from the date the contractor notifies the CDE of its intent to terminate the contract, the contractor shall submit:
  - a. A current inventory of equipment purchased in whole or in part with contract funds; and
  - b. The names, addresses and telephone numbers of all families served by the contract and all staff members funded by the contract.
  - c. Contractors shall also submit the names, addresses and telephone numbers of all family childcare home education network providers funded by the preschool contract.
4. Upon receipt of a notice of intent to terminate, the CDE will transfer the program to another agency as soon as practicable.
5. The contractor is obligated to cooperatively work with the CDE's EED with the transition of the families.

#### K. Uniform Complaint Procedures

(*EC 33315(a)(1)(E)* and *5 CCR 4600-4694*)

*EC 33315(a)(1)(E)* and *5 CCR 4610* authorize the CDE the responsibility for Uniform Complaint Procedures (UCP). Preschool programs are covered under the UCP. Contractors shall abide by the applicable procedures set forth in *5 CCR 4600-4694*.

For additional general information regarding the UCP, contact the Categorical Program Complaint Management Office, CDE, via telephone (916) 319-0929, or visit the CDE Web site at the following link: <https://www.cde.ca.gov/re/cp/uc/>

#### L. Eligibility for Funding

(*5 CCR 17722*)

1. A current contractor is eligible to apply for new or additional funds except when one or more of the following conditions apply during the Request for Application (RFA) cycle:
  - a. The contractor is on conditional status because of fiscal or programmatic noncompliance as described in *5 CCR 17828* or *17829*;
  - b. The CDE has conducted a compliance review pursuant to *5 CCR 17794* and the contractor has failed to cure items of fiscal and programmatic noncompliance identified in the review within twelve (12) months of the issuance of the compliance review report;

- c. The RFA outlines reasons for being ineligible for funding such as when the contractor has a contract on provisional status or has previously received expansion funding and has not yet begun to provide services with that funding;
  - d. The CDE has evidence that the contractor has not been able to successfully fulfill current contract requirements by serving children in a quality program and in a fiscally responsible manner;
  - e. The contractor has in place, or places, a person in a position of fiscal responsibility or control who has been convicted of a crime involving misuse or misappropriation of state or federal funds or a state or federal crime involving moral turpitude;
  - f. The CDE reduced the contractor's current year maximum reimbursement amount due to the contractor's inability to utilize its full contract amount, whether through low enrollment or low expenditures for the same contract type;
  - g. The contractor has an outstanding accounts receivable balance with the CDE; or
  - h. The contractor has a delinquent audit with the CDE pursuant to 5 *CCR* 17825
2. A current contractor that is applying for additional funds may be awarded less than the full amount requested during negotiations of the award, particularly if it has been determined that they are not fully utilizing their current contract maximum reimbursable amount.
3. An applicant that is not a current CDE contractor is not eligible to apply for funding if one of the following conditions apply:
- a. The applicant had a previous contract with the CDE that was terminated or not continued by the CDE for fiscal or programmatic noncompliance as described in 5 *CCR* 17722 within three (3) years immediately preceding the date the RFA was posted; or
  - b. The applicant has an outstanding accounts receivable balance with the CDE or another state or federal agency; or
  - c. The applicant has a delinquent audit with the CDE pursuant to 5 *CCR* 17825; or
  - d. The applicant is currently listed on a state or federal debarment list; or
  - e. The applicant has in place or places, a person in a position of fiscal responsibility or control who has been convicted of a crime involving misuse or misappropriation of state or federal funds or a state or federal crime involving moral turpitude.

M. Review of Contracts for Continued Funding

(5 *CCR* 17726)

1. Contractors have no vested right to a subsequent contract.
2. Contractors that are not on conditional contract status, but which have evidenced fiscal or programmatic noncompliance with the provisions of this contract, laws, or regulations, shall receive an administrative review to determine whether they will receive an offer for continued funding.
3. Contractors currently on conditional status that do not meet the requirements specified in the Conditional Status Addendum may not be offered a subsequent contract and shall be so notified by the CDE by April 7.
4. Contractors that intend to accept the offer to continue services in the subsequent contract period shall respond to a continued funding application request from the CDE in accordance with the instructions and timelines specified in the request. If the CDE approves of the Contractor's application for continued funding, the CDE may offer to automatically renew the Contractor's funding for the following fiscal year in accordance with any instructions in the continued funding application.
5. Failure to respond within the timelines specified in the continued funding application request shall constitute notification to the CDE of the contractor's intent to discontinue services at the end of the current contract period unless the contractor has received a written extension of the original timeline from the CDE.

N. Applicability of Corporations Code

Except for partnerships and sole proprietorships, private contractors shall be subject to all applicable sections of the *Corporations Code* including standards of conduct and management of the organization.

O. Conflicts of Interest

(Corporations Code 5000 et. seq.; Government Code Section 1090 et. seq.; *EC 8229*)

1. All transactions shall be fair and reasonable and conducted at arm's length, including when the contractor is a party to a transaction and the other party is one of the following:
  - a. An officer or employee of the contractor or of an organization having financial interest in the contractor; or
  - b. A partner or controlling stockholder or an organization having a financial interest in the contractor; or
  - c. A family member of a person having a financial interest in the contractor.
2. No person employed by the CDE in a policymaking position in the area of early education programs shall serve as a member of the board of directors, advisory council, or advisory committee for any agency receiving funds pursuant to this chapter. The provisions of this subdivision shall not apply to any person appointed

prior to January 1, 1985.

3. No retired, dismissed, separated, or formerly employed person of the CDE employed under the State Civil Service or otherwise appointed to serve in the CDE may enter into a contract pursuant to *EC 8233* in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by the CDE. The prohibition contained in this subdivision shall apply to the person only during the two-year period beginning on the date the person left state employment.
4. For a period of twelve (12) months following the date of his or her retirement, dismissal, or separation from state service, no person employed under State Civil Service or otherwise appointed to serve in the CDE may enter into a contract pursuant to *EC 8233* if he or she was employed by the department in a policymaking position in the area of early education programs within the twelve (12) month period prior to his or her retirement, dismissal, or separation.
5. For a period of twelve (12) months following the date of his or her retirement, dismissal, or separation from state service, no person employed under State Civil Service or otherwise appointed to serve in the CDE may be employed by a contractor pursuant to *EC 8233* if he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by the CDE.
6. The provisions above in subsections 3 through 5 shall not apply to any persons who were already in the situations described by these subdivisions prior to January 1, 1985.
7. Based on corporate law (including but not limited to *Corporations Code* Sections 310, 5233-5234, 7233 and 9243 as applicable), the general rules to be followed to ensure that transactions are conducted "at arm's length" include:
  - a. Prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith, and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed; and
  - b. All parties having a financial interest in the transaction should refrain from voting on the transaction, and it should be so noted in the board minutes.
8. If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers or other key personnel of the contractor or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser, licensed by the California Office of Real Estate Appraisers that supports all reimbursable costs under the transaction.
  - a. A new "fair market rental estimate" for each change, adjustment or escalation to any reimbursable costs under a transaction is required.

- b. If the contractor has no board or is a sole proprietor, the requirement for a "fair market rental estimate" shall also apply.
- 9. The contractor has the burden of supporting the reasonableness of rental costs. If the property is owned by the contractor, rental costs are not reimbursable, and costs may be claimed only as depreciation or use allowance.
- 10. Any transaction described in this section shall be disclosed by the auditor in the notes to the financial statement in the annual audit. (*UG*, Subpart F)
- 11. Rental costs for equipment owned by affiliated organizations, officers, or other key personnel of the contractor or their families are allowable only as depreciation or use allowance.

P. Unlawful Denial of Services

(*GC* 11135 and 5 *CCR* 4900)

As used in this section, "disability" means any mental or physical disability as defined in *GC* 12926.

- 1. No person in the State of California shall, on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, genetic information, or disability be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.
- 2. With respect to discrimination on the basis of disability, programs and activities subject to 5 *CCR* 4900(a) shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132), and the federal rules and regulations adopted in implementation thereof, except that if the laws of this state prescribe stronger protections and prohibitions, the programs and activities subject to subdivision (a) shall be subject to the stronger protections and prohibitions.

Q. Computer Software Copyright Compliance

By signing this agreement, the contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

R. Recycled Paper

(*PCC* 12203(d))

The contractor agrees to use, to the maximum extent economically feasible in the performance of the contract work, recycled products.

## S. Healthy Schools Act

All preschool center-based contractors are subject to the requirements of the Healthy Schools Act (HSA) as specified in *EC 17608 to 17614*.

For more information about the requirements of the HSA, contact the Department of Pesticide Regulation (DPR), Integrated Pest Management (IPM) via e-mail at [ccipmlist@cdpr.ca.gov](mailto:ccipmlist@cdpr.ca.gov) or visit the DPR School and Child Care IPM Web site at: <http://www.cdpr.ca.gov/schoolipm/>.

To comply with the provisions of the HSA, contractors shall, among other requirements:

### 1. Identify a school designee

Choose a center employee who will make sure the requirements of the Healthy Schools Act (HSA) are met when pesticides are used at your center.

### 2. Develop an IPM plan

Create an IPM plan using the DPR IPM Plan template available on the DPR School and Child Care IPM website; or get a self-drafted center IPM plan approved by DPR.

### 3. Provide annual written notification

Send parents, guardians, and staff a written notification of pesticides you expect to apply at your center during the year.

### 4. Establish individual notification registry

Establish a registry for all interested parents, guardians, and staff to sign up and receive notifications of individual pesticide applications.

### 5. Post warning signs

Post signs where you will apply pesticides.

### 6. Keep Records

Keep records of pesticide applications made by center staff and pest management contractors for at least four years.

### 7. Send pesticide use reports to DPR

Send pesticide use reports for pesticide applications made by center employees to DPR at least once per year.

### 8. Never use prohibited pesticides

Always check the list of Pesticide Products Prohibited from Use in California

Schools and Child Care Facilities prior to using a new pesticide product.

9. Complete Annual IPM Training

Take a DPR-approved training course before applying pesticides, and renew annually.

### III. FACILITIES AND EQUIPMENT

(5 CCR 17805)

#### A. Facilities and Equipment Expenditures

Facilities and Equipment Expenditures, are subdivided into two categories:

##### 1. Capitalized

- a. Buildings and Improvements: Sites; renovations and repairs of sites; buildings; renovations and repairs of buildings, building fixtures, services systems; and
- b. Capitalized Equipment: Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the contractor for financial statement purposes, or \$5,000. 2 CFR 200.33

##### 2. Non-capitalized

Non-capitalized equipment expenditures are those for tangible personal property with a useful life of more than one year other than those described in Capitalized Equipment above.

#### B. Buildings and Improvements

1. Buildings are only reimbursable as depreciation or use allowance.
2. To be reimbursable as direct costs, prior written approval by the CDE is required for improvements to land, buildings, or equipment which materially increase their value or useful life. 2 CFR 200.439(b)(3)
3. If the Contractor wishes to share the use of real property among multiple programs, the associated reimbursable capital expenditures shall be prorated among the programs according to the benefits received.
4. Building and improvement expenditures are not reimbursable as indirect costs, except as depreciation or use allowance.

#### C. Renovation and Repair

(5 CCR 17805)

1. Improvement of sites and adjacent grounds to meet or exceed the 22 CCR, Community Care Licensing Standards are reimbursable for both private and public agencies. Reimbursable improvements are those that:
  - a. Do not unnecessarily increase the value as defined in 17700(bk) of a facility; and



- b. The contractor has obtained prior CDE approval for proposed work for ten thousand dollars (\$10,000) or more.

D. Depreciation and Use Allowance

1. Depreciation and use allowance may be claimed on eligible, appropriate capital assets.
2. Depreciation shall not be claimed on land, donated assets or assets purchased with public funds, on any fully depreciated asset or on idle or excess facilities.
3. A use allowance shall not be claimed on land or assets purchased with contract funds or on assets for which depreciation has been claimed.
4. When depreciation is applied to assets acquired in prior years, the annual charges shall not exceed the amounts that would have resulted had depreciation been claimed from the date of acquisition.
5. The use allowance for buildings and improvements is computed at an annual rate not to exceed two percent (2%) of acquisition costs.
6. The use allowance for equipment is computed at an annual rate not to exceed six and two-thirds percent (6 2/3%) of acquisition costs.
7. To be reimbursable, interest paid on private sector debt for the purchase, lease-purchase, repair or renovation of early learning and care facilities owned or leased by contractors providing center-based care must be actual interest paid, not to exceed a fair market rate of interest. This provision does not apply to family child care home facilities.

E. Preapproval Requirements

(5 CCR 17800 and 17810)

1. All equipment and equipment replacement purchases that meet either of the following criteria shall be approved in writing in advance by the CDE. 2 CFR 200.33 and 200.439(b)(1)
  - a. The per-unit acquisition cost equals or exceeds the lesser of the capitalization level established by the contractor for financial statement purposes, or five thousand dollars (\$5,000), including tax, shall be approved in writing in advance by the CDE.
  - b. The sum of all items included in the purchase equals ten thousand dollars (\$10,000) or more, including tax, shall be approved in writing in advance by the CDE.
    - i. All expenses associated with a purchase that are necessary for the equipment to perform its intended purpose, prior to cost allocation, should be

included in determining if prior approval is required (e.g., a playground structure includes multiple components, although each component may be purchased separately). When determining pre-approval requirements, all components purchased for the playground should be considered.

- ii. Subdividing equipment purchases into separate items to avoid the preapproval requirement is prohibited.
2. Proposed renovation and repair work for ten thousand dollars (\$10,000) or more prior to cost allocation, including the invoiced cost, plus any applicable sales tax, delivery fees, or installation charges, shall be approved in writing in advance by the CDE. 2 *CFR* 200.439(b)(3)
  - a. All expenses associated with a purchase that are necessary for the improvement to perform its intended purpose, prior to cost allocation, should be included in determining if prior approval is required.
  - b. Subdividing renovation and repair work into separate purchases to avoid the preapproval requirement is prohibited.
3. Approval requests shall be submitted on the Request for Approval of Equipment form.
4. Bids, if applicable, shall be attached to the Request for Approval of Equipment when submitted to the CDE for approval.
  - a. One copy of the request shall be retained by the CDE.
  - b. One copy will be returned to the contractor approved or disapproved within thirty (30) calendar days of receipt.
  - c. If the request for approval of an equipment purchase is disapproved, the contractor may appeal the decision in accordance with instructions specified in 5 *CCR* 17833.
5. Procurement practices must be in accordance with 5 *CCR* 17810.
6. Public Agencies shall comply with the applicable sections of the Public Contracting Code (*PCC*).
7. Lease-purchase agreements are subject to the above requirements.
8. If the work is to be performed through a subcontract, the requirements of the CT&C section titled *Subcontracts* also applies.
9. When private agencies submit proposed subcontracts for renovation and repair for approval, evidence shall be included that the proposed subcontractor has obtained a payment bond in an amount not less than one-half (1/2) the amount of the proposed subcontract. 5 *CCR* 17800(d)

F. Obtaining Bids for Equipment Purchases, Leases, Replacements and Improvements for Private Agencies

1. All equipment purchases, replacements, and improvements not performed by the contractor's staff exceeding five thousand dollars (\$5,000), including tax, must have at least three (3) bids or estimates.
  - a. Each bid or estimate must contain prices for equivalent and comparable items and/or services.
  - b. When available, consolidating procurements to obtain a more economical purchase is required.
  - c. Subdividing equipment purchases into separate items to avoid the competitive bidding requirement is prohibited.
2. If bids or estimates are required, the contractor shall purchase the goods or services from the lowest responsible bidder or estimator. The contractor shall conform to the materials, terms and conditions of the invitation for bid, and with 5 CCR 17810.
3. If bids or estimates are required, and three (3) bids or estimates cannot be obtained, the contractor shall provide adequate documentation of the reason(s) why three (3) bids or estimates could not be obtained (e.g., an emergency situation, or the item is only available from a single source).
4. Lease-purchase agreements are subject to the above requirements.

G. Obtaining Bids for Equipment Purchases for Public Agencies

Public Agencies shall comply with the applicable sections of the PCC.

H. Asset Management

1. Asset Control System

(2 CFR 200.313(d)(3))

A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft (any loss, damage or theft must be investigated) and adequate maintenance procedures must be developed to keep the equipment in good condition.

2. Inventory

(2 CFR 200.313 (d)(1))

- a. An inventory of all equipment and all non-disposable items with an estimated useful life of more than one year, purchased in whole or in part with preschool contract funds, shall be maintained. For more guidance refer to *California School Accounting Manual Procedure 770*.

- b. Property records must be maintained that include the following:
  - i. Description;
  - ii. Serial number or other identification number;
  - iii. The source of funding;
  - iv. The acquisition date;
  - v. The cost;
  - vi. The location, use and condition; and
  - vii. Any ultimate disposition date including date of disposal and sale price if applicable.
- c. A physical inventory must be taken at least every two (2) years and reconciled with property records. 2 *CFR* 200.313(d)(2)

I. Title, Use, Disposition and Retention

1. Buildings and Improvements

- a. Title to real property acquired in whole or part with state preschool funds shall vest in the contractor subject to the condition that the contractor shall use the real property for the authorized purpose of the preschool program as long as it has a contract with the CDE and shall not encumber the property without the prior written approval of the CDE. 2 *CFR* 200.311(a)
- b. When the real property is no longer needed for the purposes of any CDE program, the Contractor shall request disposition instructions from the CDE, which shall observe one of the following three disposition instructions:
  - i. The CDE may permit the contractor to retain title without further obligation to the CDE after the contractor compensates the CDE or that percentage of the current fair market value of the property, net of reasonable and necessary selling costs, attributable to the CDE's share of the acquisition cost.
  - ii. The contractor may be directed to sell the property under guidelines provided by the CDE and pay the CDE for that percentage of the current fair market value of the property, net of reasonable and necessary selling and fix-up costs, attributable to the CDE's share of the acquisition cost.
  - iii. The contractor may be directed to transfer title to the property to the CDE or to an eligible third party, provided that, in such cases, the contractor shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

2. Equipment

(5 CCR 17796)

- a. Title – When equipment is purchased with state funds, title shall vest with the contractor only for such period of time as the contractor has a contract with the CDE.
- b. Retention of Equipment – The CDE may provide written authorization for the contractor to retain the equipment for the contractor's own use if a fair compensation is paid to the state for the state's share of the cost of the equipment. Fair compensation shall be determined by the state using the state's share of original acquisition cost, less depreciation, computed on a straight-line method over the estimated useful life expectancy of the equipment.
- c. Use – When equipment is purchased in whole or in part with state funds, the contractor shall use the equipment exclusively in the program(s) from which funds were used to purchase the equipment. If the contractor wishes to share the use of the equipment between/among two (2) or more programs, the cost of such equipment shall be prorated between/among the programs.
- d. Disposition – The contractor may dispose of obsolete equipment and remove the asset at its recorded value. If the sale of equipment originally purchased with state funds occurs, the proceeds from the sale of the equipment must be returned to the program. If the contractor no longer has a contract with the CDE, the contractor shall dispose of the equipment in accordance with written directions from the CDE.

## IV. SUBCONTRACTS

A written subcontract is required for all service agreements as defined in Section I. Definitions, except as outlined below.

### A. Subcontracts Excluded from Requirements of this Section

(5 CCR 17797)

The following types of relationships are not subject to the requirements contained in this section:

1. Employment agreements;
2. Facility rental or lease agreements except as set forth below;
3. Payment arrangements with family child care homes and/or providers;
4. Medical or dental service agreements;
5. Bookkeeping/auditing agreements, except that all agencies must still follow requirements in the CT&C section *Bids for Subcontracts*; (5 CCR 17798)
6. Food services agreements;
7. Janitorial and grounds keeping agreements;
8. A subcontract with a public agency, except for a subcontract with a public agency to provide preschool services; and
9. Subcontracts with an individual for less than ten thousand dollars (\$10,000), except that all agencies must still follow requirements in the CT&C section *Bids for Subcontracts*.

However, no subcontract shall in any way relieve the contractor of any responsibility for performance under this contract.

Contractors are responsible for ensuring financial and compliance audits of all subcontractors.

### B. Required Subcontract Provisions

(5 CCR 17802)

The following provisions apply to all subcontracts unless exempted in Section A above.

Every subcontract shall be in writing and specify:

1. The dates within which the subcontractor is to perform the contract.

2. The time for subcontractor performance shall not begin prior to, nor shall the time extend beyond, the time period of the contract between the contractor and the state.
3. The dollar amount of the subcontract or specify an amount not to exceed a maximum dollar amount.
4. The service(s) to be provided under the subcontract and the responsibilities of each party under the subcontract.
5. The subcontractor, and the agents and employees of the subcontractor, in the performance of the subcontract, are acting in an independent capacity and not as officers, employees or agents of the State of California.
6. Modifications of the subcontract shall be in writing, and for subcontracts in excess of ten thousand dollars (\$10,000), prior written CDE approval is required unless the subcontract is otherwise exempt from prior CDE approval.
7. The subcontract is the complete and exclusive statement of the mutual understanding of the parties and that the subcontract supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of the subcontract.
8. The remedies, in case of a breach of contract, for subcontracts in excess of ten thousand dollars (\$10,000).
9. The State of California retains title to any equipment or supplies purchased with state funds and the equipment shall be returned to the contractor upon termination of the subcontract. The subcontract shall also specify that the subcontractor shall obtain prior written approval from the contractor and the CDE for any unit of equipment that costs in excess of five thousand dollars (\$5,000).
10. The subcontractor shall be reimbursed for travel and per diem expenses only at rates that do not exceed the rates paid to the CDE's non-represented employees computed in accordance with California Department of Human Resources regulations, CCR, Title 2, Division 1, Chapter 3, Subchapter 1.
11. The subcontractor agrees to indemnify and hold harmless the State of California, its officers, agents and employees from any and all claims and losses occurring or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of the subcontract, and from any and all claims and losses occurring or resulting to any person, firm or corporation that may be injured or damaged by the subcontractor in the performance of the subcontract.
12. For those subcontracts requiring prior approval, the subcontractor shall maintain records for program review, evaluation, audit and/or other purposes and make the records available to agents of the state for a period of five (5) years.
13. The provisions of the "Nondiscrimination Clause" included in the prime contract as

specified in the 2 CCR 11105.

14. Funding of the subcontract should be made subject to the appropriation and availability of funds from the state.
15. All subcontracts should contain a provision that the subcontractor is liable for any audit exception caused by, or as a result of, the subcontractor's lack of performance as required by the subcontract.
16. The subcontract should provide that the subcontractor, its agents and employees, in the performance of the subcontract, are acting in an independent capacity and not as agents or employees of the contractor.
17. Subcontracts for ten thousand dollars (\$10,000) or more cannot become effective and binding on either the prime contractor or the subcontractor until approved in writing by the CDE, and any work performed by the subcontractor prior to the date of such approval shall not be used as a claim against the state. Modifications to any contracts for \$10,000 or more shall also not be effective until approved in writing by the CDE and any work in performance of such modification prior to the date of approval of the modification shall not be used as a claim against the state. Specific approval requirements are set forth in Section F below.
18. The consideration paid to the subcontractor, as provided in the subcontract, should be stated to be the full compensation for all the subcontractor's expenses incurred in the performance of the subcontract.
19. All subcontracts, rental agreements and other contractual arrangements should include a termination for convenience clause permitting termination of such agreements without cost to the contractor.

C. Private Agencies-Bids for Subcontracts

(5 CCR 17798 & 2 CFR 200.320(f))

1. Private contractors shall obtain at least three (3) bids or estimates for subcontracts exceeding five thousand dollars (\$5,000), prior to cost allocation
2. If three (3) bids or estimates cannot be obtained, the private contractor shall maintain documents in its records that establish:
  - a. The reasons three (3) bids or estimates could not be obtained; and
  - b. The reasonableness of the proposed expenditure without three (3) bids or estimates.
  - c. Documentation for the single-source vendor or service provider, including the reason that vendor should be approved, must be submitted for approval in lieu of three (3) bids.



3. The subcontract shall be awarded to the lowest responsible bidder.
4. The contractor shall not split subcontracts to avoid competitive bidding requirements.

D. Public Agencies Subcontracts

Public Agencies shall award subcontracts in accordance with the *PCC*.

E. Prior CDE Approval for Subcontracts \$10,000 and Above

(5 CCR 17799-17801)

1. Contractors shall obtain prior written approval from the CDE for subcontracts of ten thousand dollars (\$10,000) or more, prior to cost allocation, that are otherwise not excluded from the provisions as stated in the CT&C section *Subcontracts Excluded from the Requirements of this Section*.
2. Prior to execution of a subcontract and commencement of work, the contractor shall submit two (2) copies of the proposed subcontract to the CDE for approval, including a proposed line-item budget which shows the costs of the services to be performed. The budget for a proposed subcontract for renovation and repair shall show the total cost of labor and the total cost of materials. Bids, if applicable, shall be submitted to the CDE when requesting approval. If three (3) bids were not obtained, the contractor shall provide written justification when the subcontract is submitted to the CDE for prior approval. Contractors shall demonstrate that approval of the subcontract is cost effective to the state.
3. For proposed capital outlay subcontracts, private agencies shall include documents showing that the bidder selected by the contractor has obtained a payment bond in an amount not less than one-half (1/2) the amount of the proposed subcontract.
4. Requests for approval of subcontracts for transportation services shall include a Certificate of Insurance of the subcontractor in an amount not less than \$1 million per occurrence (or a greater amount if required by the Public Utilities Commission regulations), listing the contractor and the state as additional named insured.
5. One copy of the subcontract will be retained by the CDE and the other copy returned to the contractor approved or disapproved within thirty (30) calendar days of receipt of all required documents.

No reimbursement shall be made to the contractor or subcontractor for work performed prior to CDE approval. A disapproved contract will include a statement of the reason(s) for not approving the subcontract. If the request for approval of a subcontract is denied, the contractor may appeal the decision in accordance with instructions specified in the CT&C section *Appeals and Termination, Contract Administration Disputes*.

6. The CDE does not assume any responsibility for performance of approved subcontracts nor does the CDE assume responsibility for any unpaid debt of the

contractor resulting from subcontracting liens.

7. Subcontracts which increase the contractor's cost of performance are non-reimbursable. Subcontracts which contain a provision for reimbursement for cost-plus-a-percentage-of-cost are not reimbursable.

F. Audit Requirements for Subcontracts

(5 CCR 17803)

An organization that operates a preschool program under contract with the CDE is called a contractor. The contractor may choose to enter into an agreement with another organization (subcontractor), where the subcontractor operates one (1) or more of the contractor's preschool programs. Consequently, an entity may be acting in the dual capacity of contractor and subcontractor for one (1) or more CDE contractors – each having one (1) or more CDE contracts. In some cases, a subcontractor may not have its own contract directly with the CDE.

The organization receiving funds from the state shall be responsible for obtaining the required financial and compliance audits of the organization and any subcontractors, except for subcontracts exempt from CDE review, as agreed to by the Departments of Finance (DOF) and General Services (DGS).

The audit of the subcontract shall be submitted to the CDE as follows:

1. School districts, county offices of education, community colleges, and direct funded charter schools, shall submit the audit of the subcontract by the fifteenth day of the fifth month following the fiscal year in which the subcontracted services were performed;
2. All other contractors shall submit the subcontract audit along with the contractor's audit as specified in 5 CCR 17823.

## **V. COSTS, EARNINGS AND REIMBURSEMENT**

### **A. Reasonable and Necessary Costs**

(5 *CCR* 17700(az), 17804, and 2 *CFR* Section 200 et seq.)

Contractors may be reimbursed for actual costs that are reasonable and necessary to the performance of the contract. Reasonable and necessary costs are those costs that do not exceed what an ordinarily prudent person would incur in the conduct of a competitive business under the circumstances prevailing at the time of the decision to incur the cost, and whether the cost is of a type recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of the award. Consideration must be given to market prices for comparable goods or services for the geographic area.

### **B. Indirect Costs**

(5 *CCR* 17700(aj), and 17805)

1. If indirect costs are claimed, an indirect cost allocation plan must be on file with the contractor and available for review by the CDE staff and auditors.
2. The maximum indirect cost rate shall be ten percent (10%) of the modified total direct costs.
3. For any non-federal entity that has a negotiated indirect cost rate, which includes all school districts and county offices of education, the maximum indirect cost rate shall be the lesser of the negotiated indirect cost rate or ten percent (10%).
4. This rate is applied to budget categories 1000-5000 only, including categories 1000-5000 of Start-Up Expenses and the Direct Payments to Providers, if claimed, in determining the maximum amount of indirect costs that are reimbursable under the contract.
5. The amount of cost allocable to this contract shall not exceed the benefits to this contract. The allocation method must quantify this benefit among all similar programs and then distribute the costs accordingly.
6. The indirect cost rate shall not include consideration of any costs otherwise non-reimbursable. If depreciation or use allowance is included in the indirect cost rate, such allowance shall not be claimed on the asset as a direct cost.

### **C. Administrative Costs**

(EC 8258, 5 *CCR* 17700(e))

Contractors may claim administrative costs, as defined in 5 *CCR* 17700(e), which are related to the administration of the early learning and care program.

Reimbursement of administrative costs shall not exceed fifteen percent (15%) of the net

reimbursable program costs.

The fifteen percent (15%) includes any allowance for indirect costs and audits. Contractors shall maintain written documentation of the rationale used in determining direct and administrative costs.

D. Service Level Exemption (Start-Up) for New or Expanded Programs

(EC 8255)

1. Allowable start-up costs will be in an amount not to exceed fifteen percent (15%) of new or expansion funding authorized in the Budget Act for State Preschool Programs.
2. Start-up costs must be necessary for the establishment and stability of new preschool programs and include:
  - a. Employment and orientation of necessary staff;
  - b. Setting up of the program and facility;
  - c. Finalization of rental agreements and necessary deposits;
  - d. Purchase of a reasonable inventory of materials and supplies; and
  - e. Purchase of an initial premium for insurance.
3. Contractors shall maintain an auditable record of start-up costs which shall be included within the audit at the end of the year.
4. Reimbursable start-up costs shall occur prior to attainment of full enrollment.
5. If all or part of the fifteen percent (15%) allowable start-up costs is needed and spent, that portion will **not** have to be earned through provision of services.
6. If the contractor neither needs nor chooses to claim any of the fifteen percent (15%) start-up costs, the full-service requirements shall be earned at the contract rate.

E. Costs for Travel and Per Diem & Restrictions

(GC 11139.8, 5 CCR 17805, 17806, and 17811)

Contractors and subcontractors shall be reimbursed for travel and per diem expenses at rates not exceeding those amounts paid to the CDE's represented employees computed in accordance with the California Department of Human Resources (CalHR) regulations, CCR, Title 2, Division 1, Chapter 3, Subchapter 1, Article 2. The CalHR website at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, provides information on the most recent travel and per diem rates.

Contractors with collective bargaining agreements allowing higher rates of

reimbursement shall not pay the difference out of contract funds.

The CDE shall notify the contractor of a change in expense rates within thirty (30) calendar days after the CDE has received notification of a change in rates from CalHR.

Contractors shall be reimbursed for out-of-state travel expenses only with prior written approval from the CDE. The CDE shall not approve out-of-state travel expenses:

1. For more than one employee, per contract per year.
2. For contractors with delinquent accounts payable which are delinquent more than ninety (90) calendar days after the date of the original invoice.
3. For contractors on conditional status.
4. When there is no clear benefit to the state.
5. When the benefit to the state can be obtained within California.

The CDE shall approve or deny the request for out-of-state travel within thirty (30) calendar days of the receipt of the request. If the request is denied, the contractor may appeal the decision in accordance with Section IX. A. *Resolution of Contract Administration Disputes*

Out-of-state travel to states identified in California's travel ban will not be considered. Costs associated with traveling to banned states will not be reimbursable.

F. Specific Items of Reimbursable Costs

(5 CCR 17805)

Reimbursable costs include, but are not limited to, the following:

1. Start-up costs of child development agencies or facilities in an amount not to exceed fifteen percent (15%) of the expansion or increase of each agency's total contract amount.
2. Administrative costs not to exceed fifteen percent (15%) of net reimbursable program costs.
3. Employee compensation, including fringe benefits, and personal service contracts.
4. Equipment and equipment replacement with prior CDE approval if required in Section III. A. *Facilities and Equipment*.
5. Supplies purchased in accordance with procurement practices found in 2 CFR sections 200.317 to 200.326, including bidding requirements for micro-purchases that exceed \$10,000.
6. Improvement of sites and adjacent grounds to meet or continue to meet 22 CCR

Community Care Licensing Standards in accordance with Section III. C. *Renovation and Repair*.

7. Taxes, insurance, and maintenance for buildings and/or equipment.
8. Depreciation based on the useful life of an asset in accordance with Section III. D. *Depreciation and Use Allowance*.
9. A use allowance for buildings and improvements in accordance with Section III. D. *Depreciation and Use Allowance*.
10. Travel and per diem expenses, including approved out-of-state travel, in accordance with Section V. E. *Costs for Travel and Per Diem*.
11. An indirect cost rate based on an approved indirect cost plan, in accordance with Section V. B. *Indirect Costs*.
12. Lease payments or depreciation and interest on loans incurred to acquire, rehabilitate or construct licensable facilities not to exceed fair market rents in the community in which the facility is located in accordance with guidelines issued by the CDE.
13. Interest on private sector debt financing for purchase, lease-purchase, repair or renovation of preschool facilities owned or leased for providing center-based care upon demonstration that the amount of interest paid in a year does not exceed the value obtained by the state in the use of the facilities for the preschool program during the year in accordance with guidelines issued by the CDE.
14. Payments to providers made in accordance with applicable state laws and regulations.

G. Nonreimbursable Costs

(5 CCR 17806)

The following costs shall not be reimbursable under the preschool contract:

1. Bad debts, including losses arising from uncollectible accounts and any related legal costs. (Uncollected parent fees are not considered to be bad debts if documentation of collection attempts exists.);
2. Contributions;
3. Costs of amusement or entertainment;
4. Costs of fines or penalties;
5. Costs of idle facilities unless those costs are related to a partial year program and the costs of the idle facilities have been approved by the CDE;

6. Costs incurred after the contract has been terminated;
7. Fund raising costs except as specified in 5 CCR 17707;
8. Interest expenses except:
  - a. Interest on borrowed funds when apportionments are withheld because of a delay or error attributable to the state and the amount of interest claimed is approved by the CDE.
  - b. When interest is part of a lease purchase agreement.
  - c. When the interest is part of payments on a loan incurred to acquire, rehabilitate or construct licensable facilities, not to exceed fair market rents existing in the community in which the facility is located.
  - d. When the interest is on private sector debt financing for the purchase, lease-purchase, repair or renovation of preschool facilities owned or leased by the contractor, and it has been demonstrated that the amount of interest paid in a year does not exceed the value obtained by the state in the use of the facilities for the preschool program during the year in accordance with guidelines issued by the CDE.
9. Investment management costs;
10. Costs of organization of a nonprofit corporation such as incorporation fees or consultant fees;
11. Public relations consultant fees;
12. Costs of legal, consulting and accounting services incurred in prosecution of claims against the state;
13. State and federal income taxes;
14. Costs for the acquisition of sites and buildings except through depreciation;
15. Bonuses, unless part of a collective bargaining agreement;
16. Compensation to the members of the board of directors except for:
  - a. Reimbursement for travel and/or per diem, computed in accordance with Costs for Travel and Per Diem, incurred while the members are conducting business for the organization.
  - b. As provided in the California *Corporation Code* Section 5227, et seq.
17. Costs of subcontracts, which increase the contractor's cost or subcontracts, which contain a provision for reimbursement for cost-plus-a-percentage-of-costs;

18. Costs incurred in prior or future years, with the exception of the cost of an annual independent audit, which may be claimed either in the contract period which was the subject of the audit, or during the contract period in which the audit is completed;

19. Costs that are not adequately documented.

H. Charging of Expenditures

(5 CCR 17807)

Net reimbursable program costs must be incurred during the contract period. Contractors shall not use current year contract funds to pay prior or future year obligations. However, the cost of the annual independent audit may be claimed either in the contract period which was the subject of the audit or during the contract period in which the audit is completed.

I. Recoupment of Advanced Contract Funds

(5 CCR 17808)

The CDE shall recoup any payments made for costs which were not reasonable and necessary. The amount recouped shall be the excess payment over the reasonable or fair market value, or one hundred percent (100%) of the cost, if the cost was not necessary. The CDE may elect to recover any costs associated with recouping advanced contract funds, including collection services or attorney fees.

J. Use of Subsidized Family Fees

(5 CCR 17809)

Fees received from subsidized parents are to be expended and earned by the contractor before contract funds shall be claimed for reimbursement.

Such fees shall be expended on reimbursable costs and earned by providing child days of enrollment. In order to be reimbursed the full contract amount, in addition to the fees received from subsidized parents, the contractor must have additional reimbursable expenditures and increase their service earnings beyond the contract's maximum reimbursable amount. Family fees shall not be assessed for families enrolled in the part-day California preschool program. (EC 8253)

K. Determination of Reimbursable Amount

(EC 8261, 8269 and 5 CCR 17812)

Except as otherwise provided by law, Contractors shall be reimbursed for an audited claim that is the least of the following:

1. The maximum reimbursable amount as stated in the annual preschool contract;
2. The actual and allowable net costs; or



3. Contract service earnings – The adjusted child days of enrollment for certified children, pursuant to *EC 8244* and *8245*, times the contract rate(s) per child day of enrollment, times the actual percentage of attendance plus five percent (5%), but in no case to exceed one hundred percent (100%) of enrollment.

L. Minimum Days of Operation

(5 *CCR 17813*)

If the contractor fails to operate at least ninety-eight percent (98%) of the minimum days of operation required in its contract, ceases operation or the contract is terminated prior to the end of the contract period, the maximum reimbursable amount shall be reduced in proportion to the percentage of the contract minimum days of operation that the contractor was not in operation.

M. Reduction, Withholding, and Canceling Apportionments to Contractors

(5 *CCR 17814*)

The CDE shall reduce, withhold or cancel any scheduled apportionment when one (1) or more of the following conditions exist:

1. The contractor has not submitted an acceptable audit for any prior year of operation on or before the date due.
2. The contractor has not submitted the required reports on or before the date due.
3. The contractor will not earn the full contract amount based on the current year projected and the prior year actual net reimbursable program costs as determined by the Early Education and Nutritional Fiscal Services (EENFS).
4. A creditor of the contractor has placed a lien on the contractor's scheduled apportionments.
5. The contractor has accounts payable which are:
  - a. More than ninety (90) days delinquent to the CDE; and
  - b. Not the subject of an appeal.
6. If any apportionment is to be reduced, withheld or cancelled, the CDE shall provide the contractor prior written notice of the intended action.

N. Order of Expenditure

(5 *CCR 17815*)

Expenditures from the Child Development Fund shall occur in the following order:

1. Fees collected from parents of certified children shall be first in and first out;

2. State or federal contract funds apportioned by the CDE shall be second in and second out; and
3. Interest received on advanced contract funds shall be last in and last out.

## VI. ACCOUNTING AND REPORTING REQUIREMENTS

### A. General Provisions

(5 CCR 17816)

Contractors shall follow the accounting procedures specified in the most recent edition of the *California School Accounting Manual*. Contractors shall report revenue and expenditures on an accrual basis. The School Accounting Manual specifies that under an accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when a liability is incurred, regardless of when the receipt or payment of cash takes place.

### B. Child Development Fund and Interest-Bearing Accounts

(5 CCR 17817)

All contractors shall establish a fund to be known as the "Child Development Fund" as specified in *EC 8271*, except that private contractors shall establish the fund in a federally insured banking institution located in California. Contractors with multiple fund sources shall establish separate program cost accounts for each source of funds.

If a contractor places advanced contract funds in an interest-bearing account, the interest-bearing account shall be a separate account within the Child Development Fund. Interest earned shall be retained by the contractor if it is expended on reimbursable costs and earned by increasing their service earnings beyond the contract's maximum reimbursable amount.

### C. Enrollment and Attendance Accounting

(5 CCR 17818)

1. A child shall not be enrolled in more than one program for the same time period on the same day.
2. Contractors shall use daily sign-in/sign-out sheets as a primary source document for audit and reimbursement purposes.
  - a. On a daily basis, one of the following persons shall enter the time of arrival and departure on a sign-in/sign-out sheet and shall sign the sheet using their full signature for both arrival and departure times:
    - i. The parent or other adult authorized by the parent to drop off/pick up a child;  
or
    - ii. The staff person designated by the contractor as the person responsible for entering the times of arrival and departure if the child is not dropped off/picked up by a parent or other adult authorized by the parent.

- b. First and last initials of the contractor's authorized representative, along with a notation of the time, are required to be documented when a school-age child departs for and returns from school during the day.

D. Attendance and Absences

(EC 8205(c), 5 CCR 17819)

Attendance, for the purposes of reimbursement, includes excused absences because of illness or quarantine of the child, illness or quarantine of their parent, family emergency, court-ordered visitations or a reason which is clearly in the best interest of the child.

If the absence is claimed by the contractor as an excused absence, the attendance accounting records shall contain verification including:

1. The name of the child;
2. The date(s) of absence;
3. The specific reason for the absence; and
4. The signature of the parent or the contractor's authorized representative if verification is made by telephone.

If an excused absence is based on time spent with a parent or other relative as required by a court of law, the family data file shall contain a copy of the Court Order.

Contractors shall adopt reasonable policies delineating circumstances that would constitute an excused absence for "family emergency" and "in the best interest of the child."

Except for children who are recipients of protective services or at risk of abuse or neglect, excused absences "in the best interest of the child" shall be limited to ten (10) days during the contract period.

Contractors shall not disenroll any family due to excessive absences, except in circumstances of abandonment of care described in 5 CCR 17819.5.

E. Abandonment of Care

(5 CCR 17819.5)

For purposes of abandonment of care, a "provider" includes an individual, family child care home, or center-based entity that provides subsidized preschool services directly to children.

When the family has not been in communication with the provider for seven (7) consecutive calendar days and has not notified the provider of the reason the family is not using services, the provider, if not the contractor, shall promptly notify the contractor.

Using the contact information on file, the contractor shall attempt to contact the parent through a variety of communication methods. At least one communication attempt shall be in writing, which may be through electronic methods. The contractor shall keep documentation of all communication attempts, including a copy of all written communication, in the family data file. The contractor shall inform the parent in these communications that failure to communicate with the contractor or provider may result in termination of preschool services.

The contractor shall issue a notice of action to disenroll the family on the basis of abandonment of care when there has been no communication with the provider or the contractor for a total of 30 consecutive calendar days.

#### F. General Record Keeping Requirements

(5 CCR 17820)

1. Pursuant to *EC 33421*, all records shall be retained by each contractor at least five (5) years or where an audit has been requested by a state agency, until the date the audit is resolved, whichever is longer. Claims for reimbursement shall not be paid unless there are documents to support the claims. The contractor has the burden of supporting claims for reimbursement.
2. Pursuant to *EC 35254*, public contractors must ensure that no original records be destroyed prior to the second July 1<sup>st</sup> succeeding the completion of the audit.
3. All CDE contractors and providers providing preschool services to eligible families, may maintain records electronically and are authorized to convert records from a paper format to an electronic format, in compliance with state and federal standards as determined by the CDE (*EC 8234*).
4. If the contractor has more than one (1) CDE program, then the method used to allocate administrative costs must be documented.
5. Contractors are required to maintain records to support salaries and benefits charged to preschool programs in accordance with the *California School Accounting Manual*.
6. State employees or representatives shall be allowed access to all program related or fiscal records during normal work hours. (*EC 33421* and 5 CCR 17826)

#### G. Enrollment, Attendance and Fiscal Reports

(5 CCR 17821)

Contractors on conditional and provisional status shall report monthly (due to EENFS by the 20th of the following month). All other contractors shall submit four (4) cumulative attendance and fiscal reports to EENFS for the quarters ending September 30, December 31, March 31, and June 30. These reports shall be submitted electronically in accordance with instructions from the CDE. Reports not submitted by the 20<sup>th</sup> of the

month, following the end of the contractor's reporting period, shall be deemed delinquent and apportionment(s) shall be withheld until the required report is submitted.

While the Early Childhood Mental Health Consultation Services (ECMHCS) adjustment factor can be used in conjunction with any other adjustment factor, when reporting in the CDE's fiscal reporting system, contractors shall not report any child days of enrollment in multiple adjustment factor categories. To report ECMHCS enrollment and receive an additional ECMHCS adjustment of 0.10, contractors must select "YES" to the question at the top of the Enrollment, Attendance, and Fiscal Report: "Did you serve Certified Children receiving ECMHCS in this Fiscal Year?" Once selected, the ECMHCS adjustment factor categories will display in the Certified Children with ECMHCS section.

Contractors shall submit reports electronically containing the following information for each contract to the EENFS:

1. Days of enrollment, as indicated on the family's Notice of Action, for all children served in the program in the current reporting period and year to date.
2. Days of attendance, per the child's sign in and out records and other accompanying attendance records, for all children served in the program in the current reporting period and year to date.
3. Total days of operation in the current reporting period and year to date.
4. All services, revenues and expenditures for both subsidized and non-subsidized children, if non-subsidized and subsidized children are commingled as defined in Section I above.
5. Amount and sources of all revenues, including restricted and unrestricted income utilized for the child development program, other than advanced contract funds for the current reporting period and the year-to-date.
  - a. Restricted income that is not expended during the contract period remains restricted and shall be considered deferred revenue and is not reported on the Attendance and Expenditure Reports until expended, at which time it is reported as restricted income.
6. Total expenditures related to the program operation for the current reporting period and the year-to-date total, including all expenses for specific purposes, as designated by restricted income and all non-reimbursable expenses.

Contractors should not report Child Nutrition Program revenue received from the CDE or the California Department of Social Services if the associated expenses for the Child Nutrition Program(s) are not claimed to the preschool contract.

Reports not submitted by the due date shall be considered delinquent. Penalties for delinquent reporting are specified in 5 CCR 17814. Reports may only be submitted by authorized representatives. Prior to submitting any reports, the Certification of Assurances must be submitted electronically once per year, acknowledging electronic

certification of reports replaces original signatures.

Contractors have sixty (60) days from the audit submission due date to submit a revised final report. For local educational agencies, the final report shall be the final accounting of any amount payable to or receivable from the contractor pursuant to this contract.

#### H. Child Development Data Collection

(5 CCR 17822)

The contractor shall submit the following:

Monthly Child Care Population Information (CDD-801A) submitted electronically in accordance with instructions from the CDE.

If the contractor is selected and notified by mail to submit sample data, they must complete the Child Development Data Collection Sample Report (CDD-801B) electronically in accordance with the instructions from the CDE.

Contractors shall submit complete, accurate reports to the CDE by the date specified, and in the format specified in the CDE's request for this information. Incomplete, inaccurate, or incorrectly formatted reports, and reports not received by the required date, shall be considered delinquent. Penalties for delinquent reporting are specified in 5 CCR 17814.

#### I. Other Report Data

(5 CCR 17822)

Contractors shall submit statistical, cost and program data as requested by the CDE in order for the CDE to prepare various legislatively mandated reports, to meet state and federal reporting requirements, for purposes of determining reimbursement, and for the effective administration of preschool programs.

Contractors submitting data to the CDE will include a certification that the data are correct and complete, and the signature of the person authorized by the contractor to certify the data. The signature may be electronic as specified by the CDE.

Contractors shall submit complete, accurate data to the CDE by the date specified, and as specified, in the CDE's request for this information. Incomplete, inaccurate, or incorrectly formatted reports, and reports not received by the required due date shall be considered delinquent. Penalties for delinquent reporting are specified.

#### J. Building a Better Early Care and Education System (BBECES)

*Applies only to CSPP contractors that provide care through family child care homes.*

(WIC 10420-10429.5)

##### 1. Submission and Disclosure of Child Care Provider Information

Contractors are required to collect and submit to the CDE, or its designee, as required by law, the following information for all licensed family child care home providers CSPP in conformance with the format, timeline and manner prescribed by the CDE, and in accordance with the BBECES:

- a. Name of child care provider (excluding volunteers and assistants)
- b. Mailing address of provider
- c. Home address of provider
- d. County of provider home address
- e. Email Address of provider, if known
- f. Cell, Work and Home phone numbers of provider, if known
- g. Whether provider is licensed or not, and, if licensed, the license number
- h. The date subsidized care began
- i. The date subsidized care ended, if applicable
- j. Agency, contractor, subcontractor, or political subdivision administering the program

The information collected from family child care providers, as defined, may be re-disclosed by the CDE to provider organizations as defined in law as well as other state agencies as permitted by law for purposes of organizing, representing, and assisting family child care providers, as well as for purposes of emergency response planning and monitoring health and safety requirements to comply with Child Care and Development Block Grant requirements.

Contractors shall not delay or obstruct the collection of the provider information.

Contractors must notify family child care providers in writing of the collection and use of the information in order to comply with applicable laws, including the Information Practices Act.

Upon learning that a family child care provider will no longer receive a subsidized child care payment, contractors shall, as required by law and in conformance with the format, timeline and manner prescribed by the CDE, inform the CDE of the date the provider ended subsidized care.

## 2. Notices and Communications

Contractors are required to distribute to providers and/or post on their website all notices and communications as may be required by the BBECES or any applicable Memorandum of Understanding.



### 3. Deductions

Contractors are required to deduct from reimbursement any dues as requested by a certified provider organization. The deductions may include membership dues, initiation fees, general assessments, and payment of any other membership benefit program sponsored by the certified provider organization.

If the deductions from a provider's subsidy payments required action by more than one contractor, the certified provider organization shall establish reasonable procedures to ensure that the total amount deducted does not exceed the total dues and other voluntary deductions owned by that provider.

A contractor must rely on a certification from the certified provider organization requesting a deduction that it has and will maintain an authorization, signed by the individual provider from whose subsidy the deduction is to be made. A certified provider organization that certifies that it has and will maintain authorization shall not be required to provide a copy of an individual authorization to the entity unless a dispute arises about the existence or terms of the authorizations.

### 4. Memorandum of Understanding

Must adhere to any requirements that bind contractors in any applicable memorandum of understanding.

### 5. Interference

Contractors are prohibited from interfering with the right of providers to collectively bargain and further prohibited from deterring or discouraging providers to join the union.

### 6. Training Partnership

Contractors must notify the certified provider organization of orientations, preservice meetings, meetings, and trainings, either in-person or online, and allow representatives from the certified provider organization to present at the orientations and training as permitted under the BBECES or as provided for in any applicable memorandum of understanding.

## K. Annual Financial and Compliance Audits

(5 CCR 17823)

Contractors shall submit to the CDE, Audits and Investigations Division (A&I), an acceptable annual financial and compliance audit as follows:

1. The audits for school districts and county offices of education for the contract period shall be submitted to the State Controller and the CDE by December 15, in accordance with EC 41020, and extensions shall only be granted in accordance with EC 41020.2.

2. The audit reports for community colleges are due to CDE by December 31.
3. All other contractors shall submit their annual audit to CDE by the 15th day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by CDE. The audit report must meet the requirements of the *Audit Guide*, including the requirements for preschool specific supplementary information. If a contractor receives less than one hundred thousand dollars (\$100,000) per year from any state agency, the audit shall be conducted and submitted biennially, unless the CDE deems there is evidence of fraud or other violation of state law in connection with the contract. If the contract is terminated during the contract period, then the audit required under this paragraph shall cover the period from the beginning of the contract through the date of termination.

All audits shall be performed by one of the following:

- a. A Certified Public Accountant who possesses a valid license to practice within the State of California;
- b. A Public Accountant licensed on or before December 31, 1970, and currently certified and licensed by the State of California;
- c. A member of the CDE's staff of auditors; or
- d. Public contractors may have their audits prepared by in-house auditors or internal audit staff that performs auditing functions and meets the tests of independence found in the Government Auditing Standards, issued by the Comptroller General of the United States.

Any contractor who subcontracts their preschool services to another entity (see "Subcontract for preschool services" in Definitions) is required to submit an audit report that complies with the *Audit Guide* for their subcontractor(s) as well as for their agency.

Private agencies (including proprietary entities) that expend seven hundred fifty thousand dollars (\$750,000) or more in total federal funds are required to have an Organization Wide Audit (OWA) performed in accordance with the *UG* and the *Audit Guide*.

Governmental and other public agencies (excluding school districts, county offices of education and community college districts) must comply with the requirements of the *UG* and the *Audit Guide*. All other agencies (excluding school districts, county offices of education and community colleges) must submit a contractor audit performed in accordance with the *Audit Guide*.

L. Review of Audit by the CDE A&I

(5 CCR 17824)

The A&I shall conduct a review of the audit to determine whether the audit is acceptable and to determine the contractor's net reimbursable program costs.

The contractor may appeal the A&I findings according to the procedures specified, if the amount of the demand for remittance meets or exceeds the threshold specified in *EC 8309(a)(3)*.

M. Delinquent Audits and One-Time-Only Extensions

(5 *CCR 17825*)

If an audit is not received on or before the required due date and an extension has not been granted, the audit shall be considered delinquent and all apportionments shall be withheld.

Except for contractors on conditional status, the A&I may annually grant a contractor a one-time-only, thirty (30) calendar day extension of the audit due date provided the inability of the contractor to submit the audit by the due date was beyond the fault and control of the contractor.

Contractors shall be liable for all CDE costs incurred in obtaining an independent audit if the contractor fails to produce or submit an acceptable audit.

N. California State Auditor

(*GC 8546.7*)

Contractors shall be subject to the examination and audit of the California State Auditor for a period of three (3) years after final payment under this contract.

O. Budget and Calendar

Contractors shall submit a revised program calendar to the EED whenever there are changes to the most recent version submitted. Contractors shall submit revised budgets as requested.

P. Reserve Accounts

All contractors are encouraged to develop and maintain a reserve within the Child Development Fund. This reserve is derived from earned, but unexpended contract funds. Reserve account funds are state funds the contractor holds in reserve as deferred revenue until they are properly spent or returned to the CDE.

Contractors may retain a reserve balance in a preschool reserve account. The reserve account may be equal to fifteen percent (15%) of the sum of the maximum reimbursable amounts of all CSPP contracts, or two thousand dollars (\$2,000), whichever is greater. *EC 8336 (b)(2)*

Preschool Reserve Account Requirements

The following criteria must be followed when establishing and using the preschool reserve account:

1. Each agency wishing to establish a reserve shall submit a statement of intent no later than July 20 following the close of the fiscal year for which the reserve will be established. The letter of intent must be submitted electronically as directed by the CDE.
2. Each reserve must be maintained in an interest-bearing account, and the amount of interest earned will be included in the reserve balance.
3. Reserve monies can only be used for expenses that are allowable reimbursable expenses. Transfers to a current-year contract shall be reported as restricted program income on that contract's enrollment, attendance, and fiscal report.
4. Reserve monies are generated from current year contracts. Therefore, the transferable amount generated during the contract period will not be available until July 1 of the subsequent fiscal year.
5. Transfers to the reserve will be authorized by EENFS only once per fiscal year. Upon receipt of the June final report, preliminary reserve amounts will be calculated by EENFS and reported to the contractor. If the contractor is an LEA, this may be the official notification provided there are no further amendments. For agencies required to submit an audit to the CDE, the amount will not be final until (1) the audit is closed by the A&I and (2) there are no outstanding billings. Contractors must transfer the amount as stated on the preschool reserve account status report upon contract closure.
6. By July 20, participating agencies must submit a Reserve Account Activity Report electronically, with a copy of their supporting General Ledger and their June attendance and fiscal report. Reports not submitted by July 20 shall be deemed delinquent, and apportionment(s) shall be withheld until the required report is received.
7. Upon closure of a reserve account or termination of preschool contracts, all monies in any reserve account shall be returned to the CDE.

## **VII. TECHNICAL ASSISTANCE**

*(EC 8314)*

Technical assistance shall be provided to any contracting agency making a written request to its assigned consultant or administrator within sixty (60) days of receipt of the request.

## VIII. CONTRACT CLASSIFICATIONS

### A. Clear Contract

(*EC 8314(a)(1)*)

This designation shall be given to a contract that is neither a provisional contract, as described in paragraph (B) nor a conditional contract, as described in paragraph (C).

### B. Provisional Contract

(*EC 8314(a)(2)* and 5 *CCR 17794* and 17821)

This designation applies to an agency's first contract for any particular service or to the contract of an existing contracting agency for a new, modified, or different type of service. The timeframe of a provisional contract is at the discretion of the CDE and is given to ensure that the contracting agency can demonstrate fiscal and programmatic compliance before the contract is designated as a clear contract. Contractors on provisional status shall submit monthly enrollment, attendance, and fiscal reports to EENFS. The contract status shall be reviewed annually.

### C. Conditional Contract

(*EC 8314(a)(3)*, 5 *CCR 17722*, 17726, 17811, 17821, 17825, 17826, 17828, and 17829-17832)

This designation applies to a high-risk contract awarded to a contracting agency that evidences fiscal or programmatic noncompliance, or both fiscal and programmatic noncompliance.

A contracting agency with one or more contracts designated as conditional is deemed to be on conditional status with the CDE for all CSPP purposes and is subject to any restrictions deemed reasonable to secure compliance.

The conditional contract shall include Conditional Status Addendum that contains a bill of particulars detailing the items of noncompliance, the standards that must be met to avoid termination of the contract and to qualify the agency for clear contract status, and a technical assistance plan.

Failure to demonstrate substantive progress toward fiscal or program compliance within six (6) months of that designation shall constitute a breach of contract and may subject the contract to termination for any applicable cause specified in *EC 8315* or *8317*, in accordance with *EC 8309*.

Contractors receiving conditional contracts (stamped on the face sheet of the contract) shall be on conditional status until the CDE issues a contract rider formally clearing the contract. Contractors shall not be approved for out-of-state travel expenses while on conditional status nor approved for extensions for audit report deadlines.

While on conditional status, the contractor shall submit monthly enrollment, attendance, and fiscal reports to EENFS. The first monthly report shall include a current inventory of equipment purchased in whole or in part with contract funds.

Contractors on conditional status are not eligible to apply for new or additional funds.

Contractors on conditional status shall receive technical assistance from the CDE.

## **IX. APPEALS, TERMINATIONS, AND NON-RENEWALS**

### **A. Resolution of Contract Administration Disputes**

(*EC 8306, 8307 and 5 CCR 17833*)

The procedure specified in this section shall be used to resolve disputes between contractors and the CDE that may arise regarding the interpretation and application of any term or condition of a contract, including, but not limited to, requests for waivers, approval of subcontracts or expenditures requiring approval, requests for reimbursement rate adjustments, or reductions in the total amount of contract reimbursement that are not appealable.

The contractor shall attempt to resolve contract disputes at the lowest staff level within the CDE.

If the dispute is not resolved at the lowest staff level, the contractor may appeal the decision by submitting a written description of the issues and the basis for the dispute to the Regional Administrator of the CDE having jurisdiction over the contractor's service delivery area. The Regional Administrator shall make a determination and shall send a written notification of the decision to the contractor, together with the reasons for the decision, within thirty (30) calendar days of the receipt of the appeal by the Regional Administrator.

The contractor may appeal the decision of the Regional Administrator to the Associate Director of the EED by submitting a written description of the issues in dispute, and a copy of the Regional Administrator's decision. The Associate Director of the EED shall send notification of the decision to the contractor and shall specify the reason(s) for the decision within thirty (30) calendar days of the receipt of the appeal by the Associate Director. The decision of the Associate Director of the EED shall be the final administrative action afforded the contractor.

### **B. Immediate Termination**

(*EC 8315, 8316, 8318 and 5 CCR 17826*)

1. A contracting agency that evidences any of the following acts or omissions may have its contract immediately terminated if there is documented evidence of the acts and omissions, and upon review and recommendation of the general counsel of the CDE, for any of the following reasons:
  - a. Fraud, or conspiracy to defraud.
  - b. Misuse or misappropriation of state or federal funds, including a violation of *EC 8316*.
  - c. Embezzlement.
  - d. Threats of bodily or other harm to a state official.



- e. Bribery or attempted bribery of a state official.
- f. Unsafe or unhealthy physical environment or facility.
- g. Substantiated abuse or molestation of children.
- h. Failure to report suspected child abuse or molestation.
- i. Theft of supplies, equipment or food.
- j. Cessation of operations without the permission of the CDE, or acts or omissions evidencing abandonment of the contract or contracts.
- k. Failure to pay salaries owed to employees, or pay federal payroll tax, for more than fifteen (15) days after the employee salaries, or federal payroll taxes were due, unless the failure is attributable to a delay in receiving apportionments from the state.
- l. Contractors that have in place or who place a person in a position of fiscal responsibility or control who have been convicted of a crime involving misuse or misappropriation of state or federal funds, or a state or federal crime involving moral turpitude, may have its contract terminated if there is documented evidence of the conviction, and upon review and recommendation of the general counsel of the CDE.

For purposes of this section, "position of fiscal responsibility or control" includes any authority to direct or control expenditure of, or any access to, state or federal preschool funds received pursuant to this section whether that authority or access is conferred based on the person's status as an employee, director, manager, board member, or volunteer, or based on any other status.

If the agency provides evidence to the CDE, before the effective date given in the notice of immediate termination, that the convicted person has been removed from the position of fiscal responsibility or control and provides assurance that the person will not be returned to a position of fiscal responsibility or control, the CDE shall withdraw the termination action.

- 2. A contractor whose contract is immediately terminated retains appeal rights.

Contractors that are the subject of an immediate termination shall not continue to operate during the appeal of termination.

- 3. A notice of immediate termination shall be served on the contracting agency by personal service or at the last address on file with the department, by overnight mail or certified mail. Service may be proved in the manner authorized in a civil action. Service by mail is complete at the time of deposit.

## C. Non-Immediate Termination

(EC 8313, 8317, 8318 and 5 CCR 17826)

1. In addition to the grounds set forth above in *Immediate Termination*, which also may be the basis for a non-immediate termination, termination of a contract during the contract period may occur when:
  - a. A contractor fails to correct items of fiscal or programmatic noncompliance within six (6) months of receiving a conditional contract which includes a Conditional Status Addendum stating the specific items of noncompliance and the corrective actions necessary to come into compliance; or
  - b. A contractor fails or refuses to make available for examination or copying by an authorized employee of the CDE any records or documents that the contractor is required to retain, upon a request by that employee to examine or copy such records or documents; or
  - c. A contractor refuses to permit an authorized employee of the CDE to enter a facility operated by the contractor during the days and/or hours of operation on file with the CDE, for the purpose of reviewing administrative operations of the contractor or for observing preschool services provided by the contractor.
2. Any action by the CDE to terminate a contract, other than to terminate a contract on an immediate basis shall be preceded by a ninety (90) day notice of the action, stating the following:
  - a. A statement of the specific reasons for the action in the Statement of Issues.
  - b. A description of the local contracting agency's rights and responsibilities concerning the appeal procedure described herein.
3. Except for cases of immediate termination, contractors that are terminated shall be allowed to continue to operate during the appeal of termination.

D. Appeals Procedures For Independent Appeals (Terminations, Denials of Contract Payment or Demands For Remittance)

(EC 8309, 8310, 8312, 8313; GC 11500 et seq.; 5 CCR 17826 and Chapter 1 of Division 2 of Title 1 [1 CCR 1000 et seq.] and Article 2 of Chapter 2 of Division 2 of Title 1 CCR [1 CCR 1200 et seq.]

Pursuant to the requirements of EC 8309, an independent appeal procedure shall be available to any contractor whose contract is terminated, or where the denial of an agency's contracted payment or a demand for remittance of an overpayment is more than twenty-five thousand dollars (\$25,000) or four percent (4%) of a local contracting agency's annual contract, whichever is less.

Upon determination that a contractor is the subject of one of the enumerated circumstances listed in EC 8309(a), the CDE will send notification to the contractor with detailed information about CDE's determination and instructions for the contractor

including how to request an independent appeal, the calculations or circumstances that led to the determination, and a list of relevant statutes and regulations.

Such appeals shall be heard by independent hearing officers in accordance with Government Code Section 11500 et seq. and the procedures established by the Office of Administrative Hearings (OAH) as specified in *CCR*, Chapter 1 of Division 2 of Title 1 (starting at section 1000) and Article 2 of Chapter 2 of Division 2 (starting at section 1200), and be preceded by a written notice of action to the local contracting agency which shall include the following:

1. A statement of the specific reasons for the action in the Statement of Issues.
2. A description of the local contracting agency's rights and responsibilities concerning the appeal procedure described herein.

## **X. CONTRACT STATUS CHANGE PROCEDURES**

### **A. Administrative Review of Changes in Contract Status**

(EC 8307, 8314, and 5 CCR 17828)

1. Contract performance shall be reviewed at least annually by CDE staff who shall determine by April 1 of each year whether to offer continued funding on a clear contract, continued funding on a conditional basis, or to make no offer of continued funding.
2. If the staff recommends conditional status or no offer of continued funding, the contractor shall be notified in writing of the reasons for the proposed change in contract status by April 7. The notice of proposed action shall be sufficiently specific to allow the contractor to respond to the factual basis for the proposed action.
3. If the contractor disagrees with the proposed action, the contractor's response shall be received by the CDE within ten (10) calendar days of receipt of the notice of proposed action. The contractor's response shall include any written materials in support of its position and, if the contractor intends to make an oral presentation, the response shall so specify.
4. If the action is being appealed, the staff recommendation and the contractor's response shall be reviewed by an administrative review panel convened by the Director of the EED. The review panel will consist of representatives of EED management, EENFS, CDE's Legal Office, A&I, Contracts Office (or their successor divisions with CDE), and a representative of another CSPP contractor. All of these panel members shall be unbiased and shall not have been involved in either monitoring the contractor or making the decision to take the action.
5. The panel members may request additional documentation or submit written questions to either the agency or to the early education staff, as may be necessary. Parties will be given an opportunity to respond to any additional information.
6. If an oral presentation has not been requested, the panel will review the written submissions, and issue a final decision upholding, modifying, or reversing the proposed change in the contract status. If an oral presentation has been requested, the contractor will be notified by telephone of the time and place of the presentation. The oral presentation will be scheduled no later than fourteen (14) calendar days from receipt of the contractor's response.
7. At the oral presentation, the contractor or the contractor's representative will have an opportunity to explain any material submitted in its response. While the contractor may present any information or arguments that are relevant to the proposed action, the review panel may set reasonable limits on the scope of the presentation.
8. Within seven (7) calendar days after the oral presentation, the review panel shall issue and mail to the contractor a decision upholding, reversing or modifying the proposed change in contract status.

9. The decision of the review panel shall be the final action of the CDE with regard to that contract.

B. Conditional Status Imposed During the Contract Period

(5 CCR 17829)

If the contractor demonstrates fiscal or programmatic noncompliance during the contract period, based on such information as an annual audit report, a program quality review, a contract compliance review, or a change in licensing status, the CDE may place the contract on conditional status for the remainder of the contract period.

The contractor shall receive notice and may request an administrative review of the proposed action as required by 5 CCR 17828, in the event such a change in contract status is recommended by staff of the CDE.

If the contract is placed on conditional status during the last ninety (90) days of the contract period and the contractor is offered continued funding, the contract for the subsequent contract period will also be on conditional status.

C. Conditional Status Addendum

(EC 8314, 5 CCR 17830)

If the contractor is placed on conditional status during the contract period a Conditional Status Addendum will be issued by the CDE and the Conditional Status Addendum shall be considered a part of the annual contract and binding on the contractor.

A Conditional Status Addendum shall contain a bill of particulars as specified in EC 8314, which shall detail the items of noncompliance, the standards that must be met to avoid termination of the contract and to qualify the contractor for clear contract status and a technical assistance plan. The Addendum shall further include all the following:

1. The specific item(s) of noncompliance which the contractor must correct;
2. The specific corrective action(s) which must be taken;
3. The time period within which the contractor must complete the corrections; and
4. Notice that failure to demonstrate substantive progress within six (6) months shall constitute a breach of contract and may result in termination of the contract either through an immediate or ninety (90) day noticed action, or no offer of continued funding.

D. Duration of Conditional Contract Status

(EC 8314 and 5 CCR 17832)

Failure to demonstrate substantive progress toward fiscal or program compliance within six (6) months of being on conditional status shall constitute a breach of contract and

may subject the contract to termination. Regardless of whether the contractor complies with the terms of the Conditional Status Addendum, the contractor's contract may not be renewed the following year pursuant to the procedures set forth in Section A above, *Administrative Review of Changes in Contract Status*.

A contractor with a repayment plan shall remain on conditional contract status and not receive any apportionments until full repayment is made.

A contractor on conditional contract status that is not on a repayment plan shall remain in that status until:

1. The CDE issues written notice to the contractor that the conditional status has been cleared;
2. The contractor is issued a clear contract; or
3. The contract terminates according to its terms.

A contractor may request written verification from the CDE that some of the deficiencies have been corrected even if the contractor will not be removed from conditional contract status.

E. Contractor's Responsibility After Notice of Termination or Notice of Decision to Make No Offer of Continued Funding

(5 CCR 17827)

After receiving notice of the CDE's decision to terminate the contract or to make no offer of continued funding, the contractor shall submit copies to, or make available for copying by the CDE, all of the following:

1. A current inventory of equipment purchased in whole or in part with contract funds.
2. The names, addresses and telephone numbers of all families served by the contract, all staff members funded by the contract.
3. Monthly enrollment and attendance reports until the contract is actually terminated or until the final month for which the contractor retains a contract. Contractors providing services through family child care homes shall also submit the names, addresses and telephone numbers of all providers of subsidized services under the contract.
4. The CDE shall only be obligated to compensate the contractor for net reimbursable program costs or earnings, whichever is less, in accordance with this contract through the date of termination. There shall be no other compensation to the contractor. The CDE shall offset any monies the contractor owes against any monies CDE owes under this contract.

## **XI. OPERATIONAL REQUIREMENTS**

### **A. Purpose of California State Preschool Program Services (*EC 8201*)**

To provide an inclusive and cost-effective preschool program that provides high-quality learning experiences, coordinated services, and referrals for families to access health and social-emotional support services through full-and part-day programs.

To encourage community-level coordination in support of preschool and early childhood services.

To provide an inclusive, developmentally appropriate, and culturally and linguistically responsive preschool environment that is nurturing for all children in the programs. To provide family engagement activities that support positive parenting practices and enhance understanding of human growth and development. To promote strengthening families and access to resources that prevent and address child abuse, neglect, or exploitation. To support the cognitive and social emotional development of all children, including children with disabilities, children experiencing developmental delays, and children experiencing trauma. To promote and support home language and development of multilingual capabilities to ensure all children attain their full potential.

To establish a framework that promotes equitable access to quality early learning experiences through the expansion of preschool services.

To empower parents and family choice by providing information and resources for choosing a high-quality preschool program that meets the needs of the family, and to inform parents and families of their right to understand and evaluate the quality and health and safety requirements of the preschool program.

### **B. Pre-service Training Requirements**

Contractors will verify that all providers have been trained in any health and safety requirements required by law.

### **C. Early Childhood Mental Health Consultation (ECMHC) Services**

(*EC 8243*)

1. For children who are served in a CSPP where ECMHC are provided pursuant to *EC* Section 8243, the adjustment factor shall be 1.1.
2. The cost to a provider agency of providing an early childhood mental health consultation service shall be reimbursable pursuant to *EC 8244* if all of the following apply:
  - a. The early childhood mental health consultation service is provided on a schedule of sufficient and consistent frequency continuously throughout the program year, to significantly contribute to all of the following:

- i. Improving interpersonal relationships and child outcomes.
  - ii. Increasing the confidence, competence, and well-being of those consulted.
  - iii. Eliminating suspensions and expulsions.
- b. The early childhood mental health consultation service is provided by one of the following persons:
  - i. A licensed mental health professional, including a marriage and family therapist, a licensed clinical social worker, a licensed professional clinical counselor, a licensed psychologist, a licensed child and adolescent psychiatrist, a credentialed school counselor, or a school psychologist credentialed pursuant to *EC 44266* and employed pursuant to *EC 49400*. The person shall have at least three years of experience providing mental health services to children zero to five years of age, inclusive, shall have training in infant, family, and early childhood mental health, shall be adequately insured, shall have held their respective license for a minimum of two years, and shall be in full compliance with all continuing education requirements applicable to their profession.
  - ii. A license-eligible marriage and family therapist, a license-eligible clinical social worker, a license-eligible professional clinical counselor, a license-eligible psychologist, or a license-eligible child and adolescent psychiatrist, who is supervised by a person meeting all of the requirements described in clause (i).
  - iii. A person holding, at a minimum, a master's degree in a field related to mental health or human services, including, but not limited to, marriage and family therapy, clinical social work, professional clinical counseling, infant mental health, human development, human services, psychology, school psychology, child and adolescent psychiatry or occupational therapy, education, social work, and other related fields, as determined by the department, and who has at least two years of experience working with children zero to five years of age, inclusive, who is supervised by a person meeting all of the requirements described in clause (i).
  - iv. A person meeting all of the requirements described in clause (i) who is providing supervision pursuant to clause (ii) may be an employee of a contracting agency, including on a temporary or part-time basis, or engaged as an external contractor, provided that supervision takes place on a regular basis that is sufficient to offer professional guidance and support.
- c. Any person providing mental health consultation services pursuant to this section shall have a successful criminal background check.
- d. The early childhood mental health consultation service uses a relationship-based model emphasizing strengthening relationships among early childhood education



providers, parents, children, and representatives of community systems and resources, and integrates reflective practice into the onsite consultation model. This model shall include, but not be limited to, all of the following:

- i. At least twice per program year, conducting early care and education setting-based mental health assessments, such as the “Climate of Healthy Interactions for Learning & Development (CHILD)” or other appropriate instrument.
  - ii. Recordkeeping that adequately documents all consultation activities.
  - iii. With consent from parents or legal guardians, at least one screening of each enrolled child for adverse childhood experiences and screening for buffering factors, including, but not limited to, resilience.
- e. Within the first 30 days upon hire or start of consultation service, a provider agency ensures that a consultant is trained in all of the following:
- i. California law and professional ethics for early childhood mental health consultation, including all of the following:
    1. Contemporary professional ethics and statutory, regulatory, and decisional laws that delineate the scope of practice of early childhood mental health consultation.
    2. The therapeutic, clinical, and practical considerations involved in the legal and ethical practice of early childhood mental health consultation.
    3. Confidentiality, particularly as it pertains to minors.
  - ii. Child abuse and neglect mandated reporting laws.
  - iii. Best practices and foundations of early childhood mental health consultation.
  - iv. All relevant laws and regulations regarding state and federal childcare programs.
- f. Consultants and supervisors shall participate in continuing professional development and education for at least 18 hours per program year. Topics may include, but are not limited to, infant-family and early childhood mental health, implicit bias and equity, trauma-informed practice, early childhood development, and consultation.
3. For purposes of this section, “early childhood mental health consultation service” includes, but is not limited to, all of the following:
- a. Support for providers, parents, legal guardians, and caregivers to create trauma-

informed, proactive inclusive environments and to respond effectively to all children.

- b. Assistance through individual site consultations, provision of resources, formulation of training plans, referrals, and other methods that address the unique needs of programs and providers.
- c. Aid to providers, parents, legal guardians, and caregivers, and encouragement and facilitation of collaboration and communication, in developing the skills and tools needed to be successful as they support the development and early learning of all children, including observing environments, facilitating the development of action plans, and supporting site implementation of those plans.
- d. The development of strategies for addressing prevalent child mental health concerns, including internalizing problems, such as appearing withdrawn, and externalizing problems, such as exhibiting persistent and serious behaviors.
- e. If a child exhibits persistent and serious behaviors, support with the pursuit and documentation of reasonable steps to maintain the child's safe participation in the program, as described in *EC 8489.1*.
- f. Face-to-face interactions or video-based platforms and other modes of communication that are compliant with the federal Health Insurance Portability and Accountability Act (Public Law 104-191), such as the telephone.
- g. Group or individual consultations of any of the actions described in this paragraph.

D. The California State Preschool Program

(*EC 8207, 8210 and 8211*)

- 1. CSPP includes, but is not limited to, part-day and full-day age and developmentally appropriate programs offered through childcare centers and family childcare home education networks, that are designed to facilitate the transition to kindergarten (K) for three- and four-year-old children and that provide early learning and care, health services, social services, nutritional services, parent education and parent participation, evaluation, and staff development, and that comply with all applicable statutory and regulatory requirements, including, but not limited to Section 1596.955 of the *H&SC*. (*EC 8207(a)*).
- 2. CSPP shall operate as follows:
  - a. Serve age eligible three-and four-year-old children according to criteria set forth below.
  - b. Part-day services that shall be available at least three hours and less than 3 hours and 59 minutes each day, for between 175 and 180 days per year, unless the contract indicates a lower number of days. Services shall include age-

- appropriate, planned, educational activities throughout each program day that address all developmental domains contained in the CDE's Desired Results Development Profiles (DRDP). The families of children enrolled for part-day services shall establish eligibility in accordance with these program requirements.
- c. Contractors providing full-day services shall operate the number of hours needed to meet the child care needs of the families for a minimum of 246 days per year, unless the preschool contract specifies a lower minimum day of operation. Services shall include age-appropriate, planned, educational activities throughout each program day that address all developmental domains contained in the CDE's Desired Results Development Profiles (DRDP). The families of children enrolled for full-day services shall establish eligibility and a need for services in accordance with these program requirements.

## **XII. ADDITIONAL REQUIREMENTS APPLICABLE TO LOCAL EDUCATION AGENCIES ONLY**

(5 CCR 17775-17781)

- A. Requirements for LEAs Choosing to be Exempt from Licensing
1. LEAs operating part-day or full-day CSPP classrooms may choose for any or all classrooms to be exempt from 22 CCR licensing requirements as long as they continue to meet all legal and contractual requirements of the CSPP, which includes adequate standards of Program Quality, pursuant to subchapter 2 of chapter 18.5, as well as meet the following conditions:
    - a. The LEA has a contract to perform CSPP services and performs those services directly, and not through a subcontractor;
    - b. The LEA is performing such services in a school building, as defined by *EC* 17283, and the school building in which the services are performed has been determined to be compliant with the provisions of the Field Act, pursuant to title 1, division 1, part 10.5, chapter 3, articles 3 and 6 of the EC, according to the Division of the State Architect;
    - c. The school building in which services are performed is maintained in good repair as defined by *EC* 17002 and is subject to a yearly facility inspection pursuant to *EC* 1240 and the information is included on the LEA's School Accountability Report Card;
    - d. The LEA facility meets the requirements for K classrooms in accordance with chapter 13 (commencing with section 14000) of division 1 of 5 CCR.
  2. The CDE shall determine whether a LEA meets the requirements to be license exempt at the time of initial funding and thereafter yearly as a part of the continued funding process. At any time, the CDE may make a finding that an LEA does not meet the requirements for license exemption and shall notify the LEA of such finding. The LEA may appeal this finding pursuant to 5 CCR 17833.
  3. Any LEA operating a CSPP classroom pursuant to this article may only serve four-year-old children as defined in *EC* 8205 in the exempted classrooms. CSPP classrooms with any child younger than four years of age shall meet 22 CCR licensing requirements.
  4. LEAs that choose to be exempt from licensing shall meet the health and safety requirements set forth in the 5 CCR. These regulations require that the CSPP meets the following requirements, at minimum:
    - a. Clean and safe drinking water must be accessible and readily available throughout the day by way of a drinking fountain, water cooler with cups, or a similar water dispensing device so long as accessible to children.

- i. If a drinking fountain, water cooler, or other water-dispensing device is too high for preschool children to access, anchored steps or a safe broad-based platform shall be provided to make it accessible.
  - ii. Drinking fountains, if available, shall be maintained in a manner that assures that it is clean, safe, and functional.
- b. Children's restroom facilities shall meet the following requirements:
  - i. Be self-contained within the classroom or preschool complex and accessible only to preschool, Transitional Kindergarten (TK), and Kindergarten-age children. Restroom facilities designated for preschool children shall not be used by adults;
  - ii. Be accessible to enrolled children during the entire school day;
  - iii. Contain one toilet and one sink for every 15 preschool children, or fraction thereof, which shall be sized for use by preschool aged children;
  - iv. Provide additional aids and/or conveniences as needed to accommodate children with disabilities and/or developmental delays;
  - v. Hot water temperature at sinks that are used for handwashing, or where the hot water will be in direct contact with children, shall be set at a temperature that prevents scalding; and
  - vi. Soiled garments shall be stored in an air-tight container, inaccessible to children, that will not transmit communicable diseases or odors, create a nuisance, or provide a breeding place or food source for insects or rodents. The container shall be taken home the same day by the parent or guardian.
- c. Visual supervision of children at all times, including during napping, toileting, and in all locations where children are present, whether inside or outside.
  - i. Children shall be monitored for behavior and wellness throughout the period of attendance and any unusual behavior, injury, or sign of illness requiring assessment and/or administration of first aid by staff shall be reported to the child's authorized parent or guardian and recorded in the family data file.
  - ii. There shall be direct visual supervision of children that are ill.
- d. Indoor space shall be sufficient for the number of children using the space at any given time and meet the following requirements:
  - i. If a new or existing permanent structure, meet the requirements for K classrooms in accordance with chapter 13 (commencing with section 14000) of division 1 of 5 CCR;
  - ii. Be maintained in a safe and sanitary condition;

- iii. Include a variety of age-appropriate equipment, toys and materials in good condition and in sufficient quantity to allow children present to fully participate in planned activities; and
  - iv. Include materials and surfaces accessible to children, including toys and supplies, that are free of toxic substances.
- e. Outdoor space shall be sufficient for the number of children using the space at any given time and meet the following additional requirements:
- i. Include adequate shade to protect preschool children from harmful sun exposure. Safe shade may be created in the outdoor space with the use of natural landscape or trees or through the use of shade structures, tarps, or umbrellas, so long as these items are in good repair and do not pose a safety hazard for preschool children;
  - ii. Be accessible only to preschool, TK, and Kindergarten-age children;
  - iii. Be enclosed by a fence or other protective barrier to protect children and to keep them in the outdoor activity area. The fence or barrier shall be at least four feet high;
  - iv. Equipment and activity areas shall be arranged so that there is no hazard from conflicting activities. All fixed play equipment should have a minimum of six feet use zone (clearance space) from walkways, buildings, and other structures that are not used as part of play activities;
  - v. Playground equipment shall be age-appropriate and securely anchored to the ground unless it is portable by design; and
  - vi. The areas around and under climbing equipment, swings, slides and other similar play equipment shall be surrounded by a shock-absorbing surface which extends at least six feet beyond the perimeter of the stationary equipment.

**B. Uniform Complaint Procedure for Health and Safety Complaints For License-Exempt LEAs**

(*EC 8235.5, H&SC 1596.7925, 5 CCR 4622, 4690-4694, 17781*)

1. LEAs operating CSPPs as exempt from licensing shall use the uniform complaint process adopted pursuant to Section 4690 - 4694 of Division 1 of 5 CCR to resolve any deficiencies related to preschool health and safety issues for a CSPP pursuant to *H&SC 1596.7925*.
  - a. A complaint may be filed anonymously. A complainant who self-identifies is entitled to a response if the complainant indicates that a response is requested. A complaint form shall include a space to mark to indicate whether a response is requested. If *EC 48985* is otherwise applicable, the response, if requested, and

report shall be written in English and the primary language in which the complaint was filed. All complaints and responses are public records.

- b. The complaint form shall specify the location for filing a complaint. A complainant may add as much text to explain the complaint as the complainant wishes.
  - c. A complaint shall be filed with the preschool program administrator or the administrator's designee. A complaint about problems beyond the authority of the preschool program administrator shall be forwarded in a timely manner, but not to exceed 10 working days, to the appropriate local educational agency official for resolution.
  - d. The preschool program administrator or the designee of the district or county superintendent or charter school administrator or similarly authorized charter school individual, as applicable, shall make all reasonable efforts to investigate any problem within that person's authority. Investigations shall begin within 10 days of the receipt of the complaint. The preschool program administrator or designee of the district or county superintendent or charter school administrator or similarly authorized charter school individual shall remedy a valid complaint within a reasonable time period, but not to exceed 30 working days from the date the complaint was received. The preschool program administrator or designee of the district or county superintendent or charter school administrator or similarly authorized charter school individual shall report to the complainant the resolution of the complaint within 45 working days of the initial filing. If the preschool program administrator makes this report, the preschool program administrator shall also report the same information in the same timeframe to the designee of the district or county superintendent or charter school administrator or similarly authorized charter school individual. At the time the preschool program administrator or designee of the district or county superintendent or charter school administrator or similarly authorized charter school individual provides a report of the resolution of the complaint to the complainant, that person shall also provide a copy of the report to the preschool program's assigned field consultant at the CDE.
2. A complainant not satisfied with the resolution of the preschool program administrator or the designee of the district or county superintendent or charter school administrator or similarly authorized charter school individual has the right to describe the complaint to the governing board or body or authorized designee, as applicable, of the local educational agency at a regularly scheduled hearing of the governing board or body or authorized designee, as applicable, of the local educational agency. A complainant who is not satisfied with the resolution proffered by the preschool program administrator or the designee of the district or county superintendent has the right to file an appeal to the State Superintendent within 30 days of the date of the written report. Failure to file a local appeal does not preclude the filing of a state appeal to the State Superintendent.
  3. A local educational agency shall report summarized data on the nature and resolution of all complaints on a quarterly basis to the governing board or body or

authorized designee, as applicable, of the local educational agency. The summaries shall be publicly reported on a quarterly basis at a regularly scheduled meeting of the governing board or body or authorized designee, as applicable, of the local educational agency. The report shall include the number of complaints by general subject area with the number of resolved and unresolved complaints. The complaints and written responses shall be available as public records. School districts and charter schools shall report the same summarized data on a quarterly basis to the county superintendent of schools.

4. In order to identify appropriate subjects of complaint, a notice shall be posted in each CSPP classroom operating as exempt from licensing notifying parents, guardians, pupils, and teachers of both of the following:
  - a. The health and safety requirements under 5 *CCR* that apply to CSPPs pursuant to *H&SC* 1596.7925.
  - b. The location at which to obtain a form to file a complaint. Posting a notice downloadable from the Internet Web site of the department shall satisfy this requirement.
5. A local educational agency shall also, as part of its annual notification pursuant to Title 5 Section 4622, clearly indicate which of its CSPPs are operating as exempt from licensing and which of its CSPPs are operating pursuant to Title 22 licensing requirements.
6. For purposes of this section, "local educational agency" means a school district, county office of education, or charter school.
7. Any child under four years of age shall be served in a CSPP facility, licensed in accordance with 22 *CCR*.

C. Requirements For Commingled CSPP / TK Classrooms

(EC 48000(h))

1. A school district or charter school may place four-year-old children, as defined in *EC* 8205, enrolled in a CSPP into a TK program classroom. A school district or charter school that commingles children, regardless of the number of children, from both programs in the same classroom shall meet all of the requirements of the respective programs in which the children are enrolled, and the school district or charter school shall adhere to all of the following requirements, irrespective of the program in which the child is enrolled:
  - a. An early childhood environment rating scale, as specified in 5 *CCR* 1771, shall be completed for the classroom.
  - b. All children enrolled for 10 or more hours per week shall be evaluated using the Desired Results Developmental Profile, as specified in 5 *CCR* 17702.



- c. The classroom shall be taught by a teacher that holds a credential issued by the Commission on Teacher Credentialing in accordance with *EC 44065* and subdivision (b) of *EC 44256* and who meets the requirements set forth in subdivision (g).
- d. The classroom shall be in compliance with the adult-child ratio as specified in subdivision (c) of *EC 8241*.
- e. Contractors of a school district or charter school commingling children enrolled in the CSPP with children enrolled in a TK program classroom shall report the services, revenues, and expenditures for the CSPP children in accordance with 5 *CCR 17821*. Those contractors are not required to report services, revenues, and expenditures for the children in the TK program.
- f. A TK classroom that has in attendance children enrolled in a CSPP shall either be licensed or shall meet the requirements pursuant to Article A, Requirements for LEAs Choosing To Be Exempt From Licensing, above.
- g. A school district or charter school that chooses to place CSPP children into a TK program classroom shall not also include children enrolled in TK for a second year or children enrolled in K in that classroom.

D. Requirements for Using CSPP Extended Learning and Care

(EC 48000[1][2])

1. The goal of stacking CSPP with TK or K is to provide a full day of high-quality instruction as an option for families. It is intended that CSPP services provide a cohesive part-day preschool experience, regardless of whether it is offered before or after TK or K, or both before and after the regular school day.
2. Contractors must inform families that participation in the entire CSPP extended learning and care portion of the day is expected, as it is not “drop-in” care.
3. Families choosing to enroll their child in part-day CSPP extended learning and care service must provide all required documentation of eligibility and to determine any priorities for enrollment and/or any adjustment factors, and their child must be enrolled in TK or K.
4. CSPP class time should be structured as is typical, and address the preschool learning foundations. It is recommended that CSPP contractors work with TK teachers to ensure a smooth transition between programs.
5. Decisions about student schedules, meals, and quiet rest opportunities are a local area decision. Since a quiet rest opportunity is a healthy activity for students of this young age, children may need a quiet rest opportunity during CSPP extended care hours.

6. CSPPs that operate on an LEA campus are allowed flexibility in their operational hours and enrollment periods to better align with the enrollment for the LEA's new school year.
  - a. Operational hours can be adjusted to offer care both before and after the scheduled TK/K school day, as long as the total hours are limited to less than four hours.
  - b. Contractors may set enrollment periods once every 30 days within the 120-day enrollment allowance prior to the first day of the beginning of the new preschool year, so the contractor can assess the applications received and enroll children based on the applications received during that enrollment period.

### **XIII. ELIGIBILITY CERTIFICATION**

#### **A. General Requirements**

(*EC 8208 and 48000; 5 CCR 17749*)

1. CSPP services, except as otherwise provided for in law, shall be limited to:
  - a. CSPP eligible four-year-old children, as defined in *EC 8205*;
  - b. CSPP eligible three-year-old children, as defined in *EC 8205*;
  - c. Pursuant to *EC Section 48000(l)*, children enrolled in TK or K enrolling in the CSPP for extended learning and care during the hours outside of the TK or K program if their families meet the requirements of *EC 8208*; and
  - d. Kindergarten-age eligible children receiving full-day services during the summer immediately prior to their enrollment in kindergarten. These children must have received full-day services as a CSPP eligible four-year-old on or before June 30 of that year, and may only receive services until the start of K or September 30, whichever is sooner, at which point they must be disenrolled.
2. To receive California state preschool part-day and full-day services, families shall meet the eligibility requirements set forth in Section (B) below, as applicable.
3. In addition to meeting the requirements in 1 above, to be eligible for services, the child must live in the State of California while services are being received. Evidence of a street address or post office address in California will be sufficient to establish residency. A person identified as “Experiencing Homelessness” is exempted from this requirement and shall submit a declaration of intent to reside in California.
4. The determination of eligibility shall be without regard to the immigration status of the child or the child's parent(s) unless the child or the child's parent(s) is under a final order of deportation from the United States Department of Homeland Security.

#### **B. Eligibility and Need Criteria**

Eligibility Criteria For Part-Day CSPP Services (*EC 8208(a)*)

Unless otherwise specified in this section, to be eligible for part-day CSPP, a family shall meet the eligibility criteria as follows:

1. Family is a current aid recipient;
2. Family is income eligible;
3. Family is experiencing homelessness; or
4. Family has children who are recipients of child protective services, or are identified

as at risk of being abused, neglected, or exploited.

5. Family has a member of its household who is certified to receive benefits from Medi-Cal, CalFresh, the California Food Assistance Program, the California Special Supplemental Nutrition Program for Women, Infants, and Children, the federal Food Distribution Program on Indian Reservations, Head Start, or Early Head Start. Children eligible for services pursuant to this subparagraph shall be prioritized by the income declared on the application for the means-tested government program.
6. Family has children with exceptional needs, as defined in *EC 8205*.

Only the children in the family who are children with disabilities may be enrolled under the eligibility criteria of this subparagraph. Any other child in the family without exceptional needs may be enrolled pursuant to any of the criteria established in subparagraphs (1) to (5), inclusive.

After all otherwise eligible families have been enrolled, a part-day CSPP may enroll:

1. Children from families whose income is no more than 15% above the eligibility income threshold. Children from families enrolled under this exception may not exceed ten percent of the participating CSPP's total contract enrollment. Children with disabilities from families with incomes above the income eligibility threshold, shall not count towards the 10 percent limit of families above the income eligibility threshold.
2. After all children have been enrolled pursuant to the above subdivisions, part-day CSPP Neighborhood School sites operating within the attendance boundaries of a qualified FRPM school may enroll CSPP three- and four-year-old children whose families reside within the attendance boundary of a qualified FRPM school without establishing eligibility.
3. After all children have been enrolled pursuant to the above subdivisions, part-day CSPP sites may enroll children enrolled in TK and kindergarten if their families are eligible for services pursuant to *EC 8208*.

For full documentation requirements see section on the *Family Data File*.

Contractors enrolling families for part-day services shall establish a family's eligibility once at the time of enrollment.

C. Eligibility and Need Requirements for Full-Day CSPP (*EC 8208(d)*)

1. Unless otherwise specified in this section, to be eligible for full-day CSPP, a family shall meet both eligibility and need criteria as follows:
  - a. Eligibility Criteria
    - i. Family is a current aid recipient;
    - ii. Family is income eligible;

- iii. Family is experiencing homelessness;
  - iv. Family has children who are recipients of child protective services, or are identified as at risk of being abused, neglected, or exploited;
  - v. Family has a member of its household who is certified to receive benefits from Medi-Cal, CalFresh, the California Food Assistance Program, the California Special Supplemental Nutrition Program for Women, Infants, and Children, the federal Food Distribution Program on Indian Reservations, Head Start, or Early Head Start. Children eligible for services pursuant to this subparagraph shall be prioritized by the income declared on the application for the means-tested government program; or
  - vi. Family has children with exceptional needs, as defined in *EC 8205*. Only the children in the family who are children with disabilities may be enrolled under the eligibility criteria of this subparagraph. Any other child in the family without exceptional needs may be enrolled pursuant to any of the criteria established in subparagraphs (i) to (v), inclusive.
- b. Need Criteria (*EC 8208[d]*)
- i. The child is identified by a legal, medical, social services agency, transitional shelter, emergency shelter, Head Start program or Local Education Agency liaison for children and youths experiencing homelessness pursuant to 42 US 11432(g)(1)(j)(ii) as either receiving child protective services or being neglected, abused, or exploited, or at risk of neglect, abuse or exploitation;
  - ii. Experiencing homelessness; or
  - iii. The parent(s) are: (*EC 8208(d)(1)(B)*)
    - a) Employed;
    - b) Seeking employment;
    - c) Engaged in vocational training leading directly to a recognized trade, paraprofession or profession;
    - d) Engaged in an educational program for English language learners or to attain a high school diploma or general educational development certificate;
    - e) Seeking permanent housing for family stability; or
    - f) Incapacitated.
- c. After all children have been enrolled pursuant to the eligibility and need criteria above, a full-day CSPP may enroll children from families whose income is no

more than 15% above the eligibility income threshold. Children from families enrolled under this exception may not exceed ten percent of the participating CSPP's total contract enrollment. Children with disabilities from families with incomes above the income eligibility threshold, shall not count towards the 10 percent limit of families above the income eligibility threshold

- d. After all children have been enrolled pursuant to the eligibility and need criteria above, a full-day CSPP contractor may enroll CSPP three-year-old and four-year old children from families that meet the eligibility criteria but do not have a need for services.
- e. After all children have been enrolled above, a full-day CSPP Neighborhood School site operating within the attendance boundaries of a qualified FRPM school may enroll CSPP three- and four-year-old children whose family resides within the attendance boundary of the qualified FRPM school without establishing eligibility or need as described in 1.a. and 1.b. above.

For full documentation requirements, see section on the *Family Data File*.

- 2. When need for services is required to be established, services shall only be available to the extent to which (5 CCR 17763(b)):
  - a. The parent meets a need criterion that precludes the provision of care and supervision of the family's child for any part of the day;
  - b. There is no parent in the family available and capable of providing care for the family's child during the time services are requested; and
  - c. Supervision of the family's child(ren) is(are) not otherwise being provided by:
    - i. Scheduled time in a public educational program;
    - ii. A private school in which the child(ren) is(are) enrolled and attending; or
    - iii. A time when a child(ren) is(are) receiving services from any other early childhood program.

#### D. Initial Certification of Eligibility and/or Need

When need for services is required to be established, families who are eligible for subsidized preschool services based on income, public assistance, exceptional needs or experiencing homelessness must document that each parent in the family meets a need criterion, as specified in *EC 8208*.

- 1. The initial certification of eligibility means the formal process for completing an application for services and collecting information and documentation to determine that the family and/or child meets the legal requirements for receipt of subsidized preschool services prior to enrollment in the program. Required documents are listed in the *Family Data File and Documentation* section. All information and

documentation collected is maintained in the Family Data File. (5 CCR 1770 AND 17752)

2. The contractor shall designate the staff person authorized to certify eligibility and/or need. Prior to initial certification and recertification, an authorized representative of the contractor shall: (5 CCR 17752)

Certify each family's/child's eligibility and/or need for preschool services after reviewing the completed application and documentation contained in the family data file. The signature of the authorized representative on an application for services certifies that the need and eligibility requirements have been met and documented.

3. Part-day CSPP contractors have 120 calendar days prior to the first day of the beginning of the new preschool year to certify eligibility and enroll families into their program. *EC 8208(b)*
4. Issue a Notice of Action (NOA), Application for Services pursuant to 5 CCR 17782 upon initial certification.
5. Be informed that subsequent to enrollment, a child enrolled in part-day CSPP remains eligible for the portion of the day that is less than four hours and provides age-appropriate, planned, educational activities that address all developmental domains contained in CDE's Desired Results Development Profiles, for the remainder of the program year and for the following program year, as long as applicable age-eligibility requirements are met, as specified in *EC 8208* and *48000*.
6. When a child's residence alternates between the homes of separated or divorced parents, eligibility, need and fees should be determined separately for each household in which the child is residing during the time preschool services are needed (i.e., separate certifications and service agreements).

#### E. Duration of Service Requirement

At initial certification or recertification contractors shall:

1. Certify services for not less than twenty-four (24) months;
2. Consider the family to meet the eligibility and/or need requirements for not less than twenty-four (24) months, although for part-day CSPP, families will only receive services through the end of the current program year and following program year; and
3. Provide those services for not less than twenty-four (24) months before having the family's eligibility or need recertified.

#### F. Contents of Family Data File

(5 CCR 17758)

1. Contractors shall establish and maintain a family data file for each family receiving preschool services.
2. The family data file shall contain a completed and signed application for services and using the following records as applicable to determine eligibility and/or need prior to initial certification and recertification:
  - a. Documentation of income eligibility, including an income calculation worksheet;
  - b. Documentation of employment;
  - c. Documentation of seeking employment;
  - d. Documentation of training;
  - e. Documentation of educational program for English language learner or attainment of high school diploma or general educational development certificate;
  - f. Documentation of parental incapacity;
  - g. Documentation of child's disability;
  - h. Documentation of homelessness;
  - i. Documentation of seeking permanent housing for family stability;
  - j. Written referral from a legally qualified professional from a legal, medical, social services agency, Head Start Program, transitional shelter, emergency shelter or LEA liaison for homeless children and youth pursuant to 42 US 11432(g)(1)(j)(ii), for children identified as being abused, neglected or exploited or at risk of abuse, neglect, or exploitation;
  - k. Written referral from a county welfare department, child welfare services worker, certifying that the child is receiving protective services and the family requires early learning and care services as part of the case plan.
  - l. If the parent of the child was on cash assistance the date the parental cash aid was terminated.
  - m. Documentation of current address residing in the school boundary of the qualified FRPM school, if applicable.
  - n. If the child is eligible because a member of the household has been certified as eligible to receive benefits or services in a means-tested government program, the family shall provide documentation of current enrollment in the program, unless the contracting agency has, and elects to use, other means of obtaining verification of that enrollment.
  - o. Documentation of a child's dual language learner status.



3. NOA, Application for Services and/or Recipient of Services shall be included.
4. Documentation of Child Health and Emergency Contact Information.

The family data file shall contain all child health and current emergency information required by the 22 *CCR* 101221 Community Care Facilities Licensing Regulations. Immunization records are not required to be in the family data file for children attending a public or private elementary school or for children receiving care in licensed facilities and reimbursed pursuant to *EC* 8220, 8350. (5 *CCR* 18081[e])

5. Documentation of the notification to the parent of their requirement to report when the family's income exceeds the income threshold as described in 5 *CCR* 17755.

## **XIV. FAMILY DATA FILE AND DOCUMENTATION**

### **A. Application for Services**

(5 CCR 17757)

The application for services shall contain the following information:

1. The parent's(s)' full name(s), address(es) and telephone number(s), and email address(es), if available;

Families experiencing homelessness may, in lieu of a home address, provide a mailing address or other address at which they may receive notices (e.g. a homeless shelter) or, alternatively an email address, through which they may be contacted and receive notices.

2. The names and birth dates of all children under the age of eighteen in the family, whether or not they are served by the program.
3. Eligibility status, as applicable, as specified in *EC 8208* is:
  - a. Child Protective Services or at risk of abuse, neglect or exploitation;
  - b. Current Aid Recipient;
  - c. Income Eligible;
  - d. Experiencing Homelessness;
  - e. A member of the household is certified to receive services or benefits from a means-tested government program;
  - f. The child has a disability;
  - g. The family's income is no more than 15 percent above the income eligibility threshold;
  - h. The family resides within the boundaries of the same qualified free and reduced priced meals (FRPM) school as the CSPP Neighborhood School site.
4. The number of hours per day services are needed for each child.
5. The reason for needing full-day preschool services, as applicable:
  - a. Child Protective Services or at risk of abuse, neglect or exploitation;
  - b. Experiencing Homelessness;
  - c. Employment;

- d. Vocational Training;
  - e. Educational program for English language learner or attainment of high school diploma or general educational development certificate;
  - f. Seeking Employment;
  - g. Incapacitation of the parent;
  - h. Seeking Permanent Housing for Family Stability;
  - i. The parent does not have a need for services pursuant to *EC 8208* (No Need provision);
  - j. The parent does not have a need for services pursuant to *EC 8217* (CSPP Neighborhood School eligibility provision).
6. Employment, vocational training, or educational program information for the parent(s) shall include:
- a. Name and phone number of the employer or contact person;
  - b. Name and address of the business, vocational training, or educational program; and
  - c. Days and hours of employment, enrollment in vocational training, or an educational program, as applicable.
7. Family size and family's adjusted monthly income, if applicable.
8. The parent's preference of receiving official communication from the contractor by mail or electronic means.
9. The parent's signature, signed under penalty of perjury, and date of the signature.
10. The signature of the contractor's authorized representative on the application for services certifying that the family and/or child meets the criteria for receipt of services.

**B. Documentation and Determination of Family Size**

(5 *CCR 17761*)

- 1. The information provided on the application for services shall be used to determine family size. A parent shall provide the names of the parents and the names, gender and birthdates of the children under 18 in the family. This information shall be documented on a confidential application preschool services and used to determine family size. The parent shall provide supporting documentation regarding the number of children and parents in the family.

2. The number of children shall be documented by providing one of the following documents, as applicable:
  - a. Birth certificates, or live birth records;
  - b. Court orders regarding child custody;
  - c. Adoption documents;
  - d. Records of Foster Care placements;
  - e. School or medical records;
  - f. County welfare department records; or
  - g. Other reliable documentation indicating the relationship of the child to the parent.
3. When only one parent has signed an application for enrollment and the information provided on the application indicates there is a second parent who has not signed the application, the parent who has signed the application shall self-certify the presence or absence of the second parent under penalty of perjury. The parent who has signed the application shall not be required to submit additional information documenting the presence or absence of the second parent.
4. For income eligibility and family fee purposes, when a child and his or her siblings are living in a family that does not include their biological or adoptive parent, only the child and related siblings shall be counted to determine family size. In these cases, the adult(s) must meet a need criterion as specified in *EC 8208(d)(1)(B)* to receive full-day services if necessary for the child to receive services.

C. Documentation of Eligibility: Income Eligibility at Initial Certification and Recertification  
(5 *CCR 17762*)

At the time of initial certification or recertification, the parent must provide the contractor with all supporting documentation. The parent is responsible for providing documentation of the family's total countable income, and the contractor is required to verify the information, as described below.

1. The parent(s) shall document total countable income for all the individuals counted in the family size. If the parent is employed, provide:
  - a. A release authorizing the contractor to contact the employer(s), to the extent known, that includes the employer's name, address, telephone number, and usual business hours; and
  - b. Payroll check stubs, an independently drafted a letter from the employer, or other record of wages issued by the employer from either month of the two-month

window immediately preceding the initial certification, or the recertification of eligibility for ongoing services.

2. When the employer refuses or fails to provide requested documentation or when a request for documentation would adversely affect the parent's employment, provide other means of verification that may include a list of clients and amounts paid, the most recently signed and completed tax returns, quarterly estimated tax statements, or other records of income to support the reported income, along with a self-certification of income.
3. If the parent is self-employed, provide a combination of documentation necessary to establish current income eligibility from either month of the two-month window immediately preceding the initial certification, or the recertification of eligibility for ongoing services. Documentation shall consist of a self-certification of income, and as many of the following types of documentation as necessary to determine income:
  - a. An independently drafted letter from the source of the income;
  - b. A copy of the most recently signed and completed tax returns with a statement of current estimated income for tax purposes; or
  - c. Other business records, such as ledgers, receipts, or business logs.
4. Provide copies of the documentation of all non-wage income referenced in the definition of "total countable income," self-certification of any income for which no documentation is possible, and any verified child support payments referenced in the definition of "adjusted monthly income."
5. The contractor:
  - a. Shall retain copies of the documentation of total countable income and adjusted monthly income in the family data file.
  - b. When the parent is employed, verify the parent's salary/wage; rate(s) of pay; hours and days of work; inconsistent and/or unstable hours and days of work; pay periods and frequency of pay; and the start date for the employee.
  - c. When the parent is self-employed, the contractor shall make a record of independent verification regarding the cost for services provided by the parent that may be obtained by contacting clients, or confirming the information in the parent's advertisements or Web site.
  - d. If the income cannot be independently verified, the contractor shall assess whether the reported income is reasonable or consistent with the community practice for this employment.
6. If the family is receiving preschool services because the child(ren) is/are identified as being abused, neglected or exploited or at risk of abuse, neglect, or exploitation or receiving child protective services, and the written referral required by 5 CCR 17773

specifies that it is necessary to exempt the family from paying a fee, then the parent will not be required to provide documentation of total countable income.

D. Calculation of Income

(5 CCR 17759)

When income is required to be calculated, including when the family voluntarily reports a change in income that results in a reduction of fees or when the family reports income in excess of 85% of State Median Income (SMI) in accordance with 5 CCR 17755, the contractor shall calculate total countable income based on income information reflecting the family's current income:

1. Using an income calculation worksheet that specifies the frequency and amount of the payroll check stubs provided by the parent and all other sources of income referenced in the definition of "total countable income."
2. When income fluctuates because of migrant, agricultural, or seasonal work; inconsistent and/or unstable employment or self-employment; or intermittent income, as defined in 5 CCR 17700, the adjusted monthly income shall be determined by averaging the total countable income from the preceding 12 months.

E. Exceptions to Calculation for Military Personnel

(5 CCR 17760, 37 USC 403)

After enrolling all families in priority order pursuant to 5 CCR 17746 and 17747, contractors may exclude, for the purposes of income eligibility, the amount of the basic allowance for housing provided to the individual pursuant to 37 USC 403 for military personnel whose income is above the income eligibility threshold. This provision is only applicable when both of the following apply:

1. The program is located on or in close proximity to a military base or base housing; and
2. An individual counted in the family size is on federal active duty, state active duty, active duty for special work, or Active Guard and Reserve duty in the military, and the families reside on a military base or in military housing.

The contractor shall obtain prior written approval from the State Superintendent of Public Instruction (SSPI) or the SSPI's designee before waiving the basic allowance for housing.

F. Documentation of Eligibility for CSPP: Public Assistance or Means-Tested Governmental Program

(EC 8208 & 8213.5)

If the basis of eligibility is that the parent is a current aid recipient, the parent shall

provide documentation of public cash assistance, unless the contractor has and elects to use other means of verification.

If the basis of eligibility is that a member of the household has been certified as eligible to receive benefits or services from a means-tested governmental program, the family shall provide documentation of current enrollment in the program, unless the contracting agency has, and elects to use, other means of obtaining verification of that enrollment. The income declared on the application for the means-tested government program shall be used as the family's income for the purposes of prioritizing enrollment and calculating family fees.

G. Documentation of Need for Full-day CSPP: In General

(5 CCR 17763)

1. Families who are eligible for subsidized preschool services (excluding families enrolled pursuant to *EC 8208[d][4]* [No Need provision] and *EC 8217* [CSPP NEIGHBORHOOD SCHOOL ELIGIBILITY Provision]) must document that each parent in the family, meets a need criterion, as specified in *EC 8208(d)(1)(B)*. The need criteria are:
  - a. The child is receiving child protective services;
  - b. The child is identified as being abused, neglected or exploited or at risk thereof;
  - c. The family is experiencing homelessness;
  - d. The parent is employed;
  - e. The parent is seeking employment;
  - f. The parent is enrolled in vocational training;
  - g. The parent is enrolled in educational programs;
  - h. The parent is incapacitated; or
  - i. The parent is seeking permanent housing for family stability.
2. Subsidized early learning and care services shall only be available to the extent to which:
  - a. The parent meets a need criterion as specified above that precludes the provision of care and supervision of the family's child for any part the day;
  - b. There is no parent in the family available and capable of providing care for the family's child during the time care is requested; and
  - c. Supervision of the family's child is not otherwise being provided by school or another person or entity, such as:

- i. Scheduled time in a public educational program;
- ii. A private school in which the child(ren) is(are) enrolled and attending; or
- iii. A time when a child(ren) is(are) receiving services from any other early childhood program.

H. Documentation of Need for Full-day CSPP: Employment

(EC 8208; 5 CCR 17764)

1. If the basis of need as stated on the application for services is employment of the parent, the documentation of the parent's employment shall include the days and hours of employment. If the total number of hours worked each week is consistent, but the days and hours of employment vary, the documentation shall support the total number of hours worked each week.
2. If the parent has an employer, the documentation of need based on employment shall consist of one of the following:
  - a. The pay stubs that indicate the days and hours of employment; or
  - b. Pay stubs that indicate the total hours of employment per pay period, as long as the hours generally correlate with the parent's requested number of hours needed each week.
  - c. When the provided pay stubs do not indicate the days and hours of employment, the contractor shall verify the days and hours, or the total number of hours, of employment by doing one of the following:
    - i. Secure an independent written statement from the employer indicating the days and hours of employment;
    - ii. Telephone the employer and maintain a record to verify the days and hours of employment.
  - d. If the nature of the parent's employment precludes the contractor from verifying a specific number of hours per week, the contractor shall use the provided documentation from either month of the two-month window immediately preceding the initial certification or recertification and identify the highest number of actual hours worked within any given week and use that as the basis for approving the certified schedule on the application for services.
  - e. If at the time of initial certification or recertification the parent does not have a work history, the contractor shall establish the certified schedule based on the verified days and hours or the highest number of total hours per week the employer expects the parent to work.
  - f. If the employer refuses or is non-responsive in providing the requested



information, the contractor shall record the attempts to contact the employer and specify in the family data file the reasonableness of the days and hours of employment based on the description of the employment and community practice.

- g. If the parent asserts in a declaration signed under penalty of perjury that a request for employer documentation would adversely affect the parent's employment, the contractor shall review the declaration and determine whether the days and hours of employment based on the parent's description of the employment and community practice are reasonable and include the declaration and determination of reasonableness in the family data file.
- h. When the employed parent does not have pay stubs or other record of wages from the employer and has provided a self-certification of income as defined in 5 CCR 1770, the contractor shall assess the reasonableness of the days and hours of employment, based on the description of the employment and the documentation provided pursuant to 17762, and authorize only the time determined to be reasonable.

3. If the parent is self-employed, the parent shall obtain and provide documentation of employment consisting of the following:

- a. A declaration of need under penalty of perjury that includes a description of the employment and an estimate of the days and hours worked per week.
- b. As many of the following documents needed to support the days and hours of employment: Appointment logs, client receipts, job logs, mileage logs, a list of clients with contact information, or similar records; or as applicable, a copy of a business license, a workspace lease, or a workspace rental agreement.
- c. If additional services are requested for travel time or sleep time to support employment, the time authorized shall be calculated as follows:
  - i. Travel to and from the location at which services are provided and the place of employment, not to exceed half of the daily hours authorized for employment to a maximum of four hours per day; or
  - ii. Sleep, if the parent is employed anytime between 10:00 p.m. and 6:00 a.m., not to exceed the number of hours authorized for employment and travel between those hours.

I. Documentation of Need for Full-day CSPP: Employment in the Home or a Licensed Family Day Care Home: Service Limitations

(5 CCR 17765)

The requirements of this section are in addition to those stated in 5 CCR 17764.

1. If the parent's employment is in the family's home or on property that includes the

family's home, the parent must provide justification for preschool services based on the type of work being done and its requirements, the age of the family's child for whom services are sought, and, if the child is more than five years old, the specific child care needs. The contractor shall determine and document whether the parent's employment and the identified child care needs preclude the supervision of the family's child.

2. If the parent is a licensed family day care home provider pursuant to *H&SC 1596.78*, or an individual license-exempt provider pursuant to the *H&SC 1596.792*, subdivisions (d) or (f), the parent is not eligible for early learning and care program services during the parent's business hours because the parent's employment does not preclude the supervision of the family's child.
3. If the parent is employed as an assistant in a licensed large family day care home, pursuant to the *H&SC 1596.78(b)*, and is requesting services for the family's child in the same family day care home, the parent shall provide documentation that substantiates all of the following:
  - a. A copy of the family day care home license indicating it is licensed as a large family day care home;
  - b. A signed statement from the licensee stating that the parent is the assistant, pursuant to the staffing ratio requirement of 22 *CCR 102416.5(c)*;
  - c. Proof that the parent's fingerprints are associated with that licensed family day care home as its assistant, which the contractor may verify with the local community care licensing office; and
  - d. Payroll deductions withheld for the assistant by the licensee, which may be a pay stub.

J. Documentation of Need for Full-day CSPP: Seeking Employment; Service Limitations  
(5 *CCR 17766*)

1. If the basis of need as stated on the application for services is seeking employment, the following shall apply:
  - a. the parent's period of eligibility for preschool services is for not less than twenty-four (24) months.
  - b. Services shall occur on no more than five (5) days per week and for less than thirty (30) hours per week.
2. Documentation of seeking employment shall include a written parental declaration signed under penalty of perjury stating that the parent is seeking employment. The declaration shall include the parent's general plan to secure, change, or increase employment, and services shall occur as requested by the parent.

K. Documentation of Need for Full-day CSPP: Training toward Vocational Goals; Service Limitations

(5 CCR 17768)

1. When the need for services is training toward vocational goals, the parent's period of eligibility for services shall be for not less than twenty-four (24) months, up to the limitation set forth in (2) below.
2. If the basis of need on the application for services is vocational training leading to a recognized trade, para-profession, or profession, preschool services shall be limited in total, to whichever occurs first:
  - a. Six years from the initiation of services pursuant to this section; or
  - b. Twenty-four semester units, or its equivalent, after the attainment of a Bachelor's Degree. If the parent has reached the limitation described in subdivision (a), the family shall receive services until the end of the fiscal year in which the limit was reached.
  - c. The service limitations specified in (a) and (b) shall not apply in the following instances:
    - i. When a parent is receiving services from a program operating pursuant to *EC 66060*;
    - ii. When a parent is attending vocational training and is participating in rehabilitation services through the California Department of Rehabilitation; or
    - iii. When a parent is attending retraining services available through the California Employment Development Department or its contractors due to a business closure or mass layoff.
3. The parent shall provide documentation of the days and hours of vocational training to include:
  - a. The name of the training institution that is providing the vocational training;
  - b. A current class schedule that is either an electronic print-out from the training institution of the parent's current class schedule or, if unavailable, a document that includes all of the following:
    - i. The classes in which the parent is currently enrolled;
    - ii. The days of the week and times of day of the classes; and
    - iii. The signature or stamp of the training institution's registrar.
  - c. The contractor shall determine the days and hours needed per week based on the provided documentation. The contractor may request that the parent provide

additional information from the training institution describing the classes.

- d. On-line or televised instructional classes that are unit bearing classes from an accredited training institution shall be counted as class time at one hour a week for each unit. The parent shall provide a copy of the syllabus or other class documentation, as applicable. The accrediting body of the training institution shall be among those recognized by the United States Department of Education.
4. Ongoing eligibility for services based on vocational training is contingent upon making adequate progress. At recertification the parent shall provide documentation of the adequate progress from the last enrolled quarter, semester, or training period.
    - a. To make adequate progress, the parent shall, obtain in the college classes, technical school, or apprenticeship for which preschool services are provided:
      - i. In a graded program, earn a 2.0 grade point average for the last enrolled quarter, semester, or academic enrollment period; or
      - ii. In a non-graded program, pass the program's requirements in at least 50 percent of the classes or meet the training institution's standard for making adequate progress.
    - b. The first time the parent does not meet the condition above, the parent may be recertified and continue to receive ongoing services for another 24 months.
    - c. At the conclusion of this eligibility period, the parent shall have made adequate progress in order to be certified for service based on vocational training. If the parent has not made adequate progress, services for this purpose shall be:
      - i. Disenrolled; and
      - ii. Services based on vocational training are only available to the parent, to the extent provided on the basis of need, after six months from the date of disenrollment.
  5. If additional services are requested for study time, travel time, or both, to support the vocational training, the contractor shall determine, for the amount of service time needed based on the documentation provided by the parent as follows:
    - a. Travel to and from the location at which services are provided and the training location, not to exceed half of the weekly hours authorized for training to a maximum of four hours per day;
    - b. Study time shall be determined based on the following:
      - i. When the educational program, on-line, or televised instructional classes are based on academic units, study time is determined at two hours per week per academic unit in which the parent is enrolled.

- ii. Additional time for studying may be approved by the contractor, on a case-by-case basis, if the parent provides a declaration signed under penalty of perjury as to why the additional time is needed for the specified course(s). Additional time, if approved, shall not exceed one hour per week per academic unit for the specified course(s) in which the parent is enrolled.
- iii. When the educational program is not based on academic units, the contractor shall determine the hours approved for study time, but in no case may the number of study hours exceed the number of class hours per week.

L. Documentation of Need for Full-day CSPP: Educational Programs; ELL Courses, GED/HSE Certificate, or High School Diploma

(5 CCR 17767)

When the need for services is enrollment in educational programs, the parent's period of eligibility for services shall be for not less than twenty-four (24) months, and shall be limited in total to six years from the initiation of services based on enrollment in educational programs.

1. The parent shall obtain and provide documentation of enrollment in either:
  - a. Classes or courses for English language learner (ELL) or English as a Second Language (ESL); or
  - b. Classes or courses to attain a high school diploma, a General Education Development (GED), or a High School Equivalency (HSE) certificate.
2. The parent shall provide documentation of the days and hours enrollment in an educational program, which shall include:
  - a. The name of the institution that is providing the instruction;
  - b. The parent's current class schedule that is either an electronic print-out from the educational program or, if unavailable, a document that includes all of the following:
    - i. The classes in which the parent is currently enrolled;
    - ii. The days of the week and times of day of the classes; and
    - iii. A registration confirmation from the educational program.
3. The contractor shall determine the days and hours needed per week based on the provided documentation.
4. Online or televised instructional classes that are unit bearing classes from an accredited training institution shall be counted as class time at one hour a week for each unit. The parent shall provide a copy of the syllabus or other class

documentation as applicable. The accrediting body of the training institution shall be among those recognized by the United States Department of Education.

5. If the parent requests study, travel time, or both, the contractor shall determine the amount of service time needed based on the documentation provided by the parent.
  - a. Study time shall be determined based on the following:
    - i. When the educational program, on-line, or televised instructional classes are based on academic units, study time is determined at two hours per week per academic unit in which the parent is enrolled.
    - ii. Additional time for studying may be approved by the contractor, on a case-by-case basis, if the parent provides a declaration signed under penalty of perjury as to why the additional time is needed for the specified course(s). Additional time, if approved, shall not exceed one hour per week per academic unit for the specified course(s) in which the parent is enrolled.
    - iii. When the educational program is not based on academic units, the contractor shall determine the hours approved for study time but in no case may the number of study hours exceed the number of class hours per week.
  - b. Travel time shall be determined based on the location where the preschool services are provided and the location of the educational program, based on actual travel time needed, not to exceed a maximum of four hours per day.
6. Ongoing eligibility for services based on enrollment in an educational program is contingent upon making adequate progress. At recertification the parent shall provide documentation of the adequate progress from the last enrolled quarter, semester, or training period.
  - a. To make adequate progress, the parent shall, obtain in the college classes, technical school, or apprenticeship for which preschool services are provided:
    - i. In a graded program, earn a 2.0 grade point average for the last enrolled quarter, semester, or academic enrollment period; or
    - ii. In a non-graded program, pass the program's requirements in at least 50 percent of the classes or meet the training institution's standard for making adequate progress.
  - b. The first time the parent does not meet the condition above, the parent may be recertified and continue to receive ongoing services for another 24 months.
  - c. At the conclusion of this eligibility period, the parent shall have made adequate progress in order to be certified for service based on enrollment in an educational program. If the parent has not made adequate progress, services for this purpose shall be:

- i. Disenrolled; and
- ii. Services based on vocational training are only available to the parent, to the extent provided on the basis of need, after six months from the date of disenrollment.

M. Documentation of Need for Full-day CSPP: Parental Incapacity; Service Limitations  
(5 CCR 17769)

1. If the basis of need as stated on the application for services is parental incapacity, early learning and care services shall not exceed 50 hours per week and the parent's period of eligibility shall be for no less than 24 months.
2. Documentation shall include a release signed by the incapacitated parent authorizing a legally qualified health professional to disclose information necessary to establish that the parent meets the definition of parental incapacity, and needs services.
3. The documentation of incapacitation provided by the legally qualified health professional shall include:
  - a. A statement that the parent is incapacitated, that the parent is incapable of providing care and supervision for the child for part of the day. The days and hours per week that services are recommended to accommodate the incapacitation, taking into account the age of the child and the care needs. This may include time for the parent's regularly scheduled medical or mental health appointments;
  - b. The name, business address, telephone number, professional license number, and signature of the legally qualified health professional who is rendering the opinion of incapacitation and, if applicable, the name of the health organization with which the professional is associated.
4. The contractor may contact the legally qualified health professional for verification, or clarification of the provided statement.
5. The contractor shall determine the days and hours of the certified schedule based on the recommendation of the health professional and consistent with the provisions of this article.

N. Documentation of Child's Exceptional Needs  
(5 CCR 17770)

1. The family data file shall contain documentation of the child's exceptional needs:
  - a. If the contractor is claiming adjustment factors pursuant to *EC 8244*; or

- b. If the family is enrolling a child with disabilities (child with exceptional needs) in accordance with *EC 8208(a)(E)* or *(d)(1)(A)(v)*.
- 2. The documentation of exceptional needs shall include a copy of the portion of the active individual family service plan (IFSP) or the individualized education program (IEP) that includes the information as specified in *EC 56026* and *5 CCR 3030* and *30313*. All families qualifying for CSPP services under the eligibility category of having a child with disabilities must self-certify their income for the purposes of following enrollment priorities and for the purposes of assessing family fees for full-day CSPP. Without this self-certification information, a family cannot enroll in CSPP.

O. Documentation of Eligibility and Need: Experiencing Homelessness

(5 *CCR 17771*)

- 1. If the basis of eligibility is experiencing homelessness, the family data file shall include documentation of homelessness. The documentation of experiencing homelessness shall include:
  - a. A written referral, dated within three months prior to the application for services, from an emergency or transitional shelter; other legal, medical, or social service agency local educational agency liaison for children and youth experiencing homelessness; or a Head Start program; or
  - b. A written parental declaration, signed under penalty of perjury, that the family is experiencing homelessness.
- 2. To meet the need requirements for receiving services on the basis that the family is experiencing homelessness, the parent shall comply with one of the following:
  - a. If the basis of eligibility is established pursuant to (1) above, no additional documentation of need is required; or
  - b. If the basis of eligibility is established by parental declaration, the parent shall provide documentation to establish a need in accordance with *EC 8208(d)(1)*.
- 3. If the basis of need is a family experiencing homelessness, services shall be as requested by the parent and shall occur no more than five days per week and for less than 30 hours per week.
- 4. The enrollment of children experiencing homelessness shall occur pending the submittal of all eligibility and need documentation. If the parent has been identified as experiencing homelessness on the application, contractors must permit the enrollment of children experiencing homelessness to begin immediately upon the parent signing the application for services. Contractors are required to certify eligibility within 30 days of the parent signing the application for services. Therefore, if the parent has not provided the documentation of eligibility and need within 30 days of signing the application for services, the contractor will deny certification of services and must provide the applicable notice of action to the parent.



P. Documentation of Need for Full-day CSPP: Seeking Permanent Housing; Service Limitations

(5 CCR 17772)

1. If the basis of need as stated on the application for services is seeking permanent housing for family stability, the parent's initial certification or recertification period for preschool services shall be for no less than twenty-four (24) months and services and, as requested by the parent, shall occur no more than five days per week and for less than 30 hours per week.
2. Documentation of seeking permanent housing shall include a written parental declaration signed under penalty of perjury that the family is seeking permanent housing. The declaration shall include the parent's search plan to secure a fixed, regular, and adequate residence. If the family is residing in a shelter, services shall also be provided while the parent attends appointments or activities necessary to comply with the shelter participation requirements within the certified schedule.

Q. Documentation of Eligibility and/or Need: Child Protective Services for Recipients Receiving Services; Children Identified As, Or At Risk of Abuse, Neglect or Exploitation

(5 CCR 17773)

The family data file shall contain the following documentation for eligibility and/or need as follows:

1. Child Protective Services for Recipients

If eligibility and need as specified in *EC 8208(a)(1)(D)* or *(c)(1)(A)(iv)* and *(c)(1)(B)(i)(II)*, are based on a child receiving child protective services, the family data file shall contain a written referral, dated within the six months immediately preceding the date of application for services. The written referral shall include:

- a. A statement from the local county welfare department, child protective services unit certifying that the child is receiving child protective services and that the early learning and care services are a necessary component of the child protective services plan;
- b. The probable duration of the child protective services plan or the at-risk situation; and
- c. The name, address, telephone number, and signature of the legally qualified professional who is making the referral.

2. Child At Risk of Abuse, Neglect or Exploitation

If eligibility and need are based on the child being identified as abused, neglected, exploited, or at risk of abuse, neglect, or exploitation, the family data file shall contain a written referral from a legally qualified professional from a legal, medical,

or social services agency, or emergency shelter, transitional shelter, Head Start program or a Local Education Agency (LEA) liaison for homeless children and youth pursuant to 42 US 11432(g)(91)(j)(ii) certifying that:

- a. The child is identified as being abused, neglected, exploited, or is at risk of abuse, neglect, or exploitation, and that the family needs early learning and care services;
- b. The probable duration of the need for early learning and care services; and
- c. The name, business address, telephone number, and signature of the legally qualified professional who is making the referral and information that identifies the agency, LEA, Head Start Program, or shelter with whom the individual is associated.

R. Documentation of Family Residency for CSPP Neighborhood School Eligibility

(5 CCR 17774)

1. Families that are eligible for services pursuant to *EC* 8208(a)(4) or 8208(d)(5) must provide proof of residency within the attendance boundaries of the same qualified FRPM elementary school as the preschool program to be eligible for enrollment at the CSPP Neighborhood School site.
2. Acceptable documentation for proof of residency may include any of the following with one or more parents' names on the documentation:
  - a. Current utility bill;
  - b. Current property tax bill;
  - c. Current rental or lease agreement with Landlord's information;
  - d. Current voter registration;
  - e. Current government agency letter;
  - f. Current employment pay stub; or
  - g. Any documentation that a contractor reasonably relies upon to prove a family's residency.

S. Documentation of Child Health and Emergency Contact Information

(5 CCR 17758)

The family data file shall contain all child health and current emergency information required by 22 CCR Social Security, Division 12, Section 101221 Community Care Facilities Licensing Regulations.

T. Requirement to Report when Income Exceeds Ongoing Income Eligibility

(5 CCR 17755)

When a family is initially certified or recertified on the basis of income eligibility, including families whose income is no more than 15 percent over the income threshold:

1. The family shall, within thirty (30) calendar days, report changes to ongoing income that causes their adjusted monthly income, adjusted for family size to exceed ongoing income eligibility.
2. Contractors shall at initial certification and recertification:
  - a. Provide the parent a copy of the income calculation worksheet that verifies the family is income eligible;
  - b. Provide the parent with a copy of the most recent Schedule of Income Ceiling eligibility table, as published by the State Superintendent of Public Instruction; and
  - c. Notify the parent, in writing:
    - i. Of the maximum adjusted monthly income amount, based on the family size, that would render the family ineligible for services, based on ongoing income eligibility requirements; and
    - ii. Of the requirement to notify the contractor, within thirty (30) calendar days, of any change in ongoing income that causes the family's adjusted monthly income to exceed eighty-five percent (85%) of SMI.
3. Upon notification of income changes by the family, the contractor shall:
  - a. Utilize the process set forth in 5 CCR 17759 and 17762 to recalculate the family's adjusted monthly income, adjusted for family size, to determine if the family remains income eligible for continued services.
  - b. If the contractor determines, based on the provided documentation, that the family is still income eligible for services, the contractor shall inform the family in writing.
  - c. If the contractor concludes the family is no longer income eligible based upon the documentation provided by the parent or the parent fails to provide the documentation as requested by the contractor within 15 calendar days from the day of the parent notification and the family does not establish another basis for eligibility based on documentation, the contractor shall issue a Notice of Action to disenroll the family pursuant to 5 CCR 17783.
  - d. If the contractor concludes the family remains eligible for services based on documentation supporting another basis of eligibility, the contractor shall issue a

Notice of Action approving services on the new basis for eligibility pursuant to 5 CCR 17783.

U. The Family's Right to Voluntarily Report Changes

(5 CCR 17756)

1. A family may, at any time, voluntarily request to reduce a family fee or increase their certified schedule, and shall provide applicable supporting documentation for the requested change.
2. When a family voluntarily requests to reduce their family fee, the contractor shall:
  - a. Use the documentation provided by the parent to reduce the family fee, if applicable, pursuant to 5 CCR 17757, 17759 and 17762;
  - b. Within 10 business days after receipt of applicable documentation, issue a Notice of Action pursuant to 5 CCR 17783;
  - c. Only use any information received to reduce the family fee, if applicable. No other changes to the certified schedule shall be made unless requested by the family;
  - d. Set the effective date of any family fee reduction as the first day of the subsequent month.
3. When a family voluntarily requests an increase to their certified schedule, the contractor shall:
  - a. Use the documentation provided by the parent to increase the certified schedule;
  - b. Within 10 business days after receipt of applicable documentation, issue a Notice of Action pursuant to 5 CCR 17783;
  - c. Make the effective date of the increase in certified schedule immediate. For CSPP contractors, this is based on hours of operation and space availability, as applicable; and
  - d. Only use any information received to increase the certified schedule. No other changes to the certified schedule shall be made.
4. When a family voluntarily requests a reduction to their certified schedule, the parent shall:
  - a. Submit a written request that includes:
    - i. Days and hours per day requested; and
    - ii. Date of proposed reduction of their certified schedule.

- b. Acknowledge in writing that they understand that they may retain their current certified schedule.
5. Upon receipt of the parent's written request to reduce their certified schedule, the contractor shall:
  - a. Notify the family in writing of the parent's right to continue to bring their child pursuant to the original certified schedule;
  - b. Use the documentation provided by the parent to reduce the certified schedule, as applicable;
  - c. Issue a Notice of Action pursuant to 5 CCR 17783; and
  - d. Only use any information received to reduce their certified schedule. No other changes to the certified schedule shall be made.

V. Recertification

(5 CCR 17753)

After initial certification and enrollment, families shall be recertified for services by the contractor no later than 50 calendar days following the last day of the 24-month certification period, which starts with the day the agency's authorized representative signed the last application for services.

In order to recertify families, the contractor's authorized representative shall notify the parent in writing in the final 30 days of the 24-month certification period, which starts with the day the contractor's authorized representative signed the last application for services.

The contractor, in the written notification, shall inform families of all of the following:

1. The requirement that the family must be recertified in order to continue receiving services;
2. The date that the recertification must be completed by;
3. The recertification appointment date, which can be no earlier than one day following the last day of the 24-month certification period;
4. Information about the recertification process;
5. Information/documentation needed for the recertification appointment; and
6. A telephone contact number and an optional email address in the event the parent may have any questions regarding the recertification process.

Contractors shall recertify or deny each family's/child's eligibility and need for early learning and care services after reviewing the completed application and documentation

contained in the family data file and issue a Notice of Action to recertify eligibility for services or disenroll the family.

When a family is recertified as income eligible, the contractor shall at the same time provide notice to the family of the requirement to report if their income exceeds the income threshold, as provided in 5 *CCR* 17755.

For full due process and documentation requirements see Section XIX. Due Process.

## **XV. OTHER REQUIREMENTS**

### Continuity of Services

*(EC 8209(c))*

To promote the continuity of services, a family enrolled in a state or federally funded preschool program whose services would otherwise be terminated because the family that no longer meets the program income, eligibility, or need criteria may continue to receive services in another state or federally funded preschool program if the contractor is able to transfer that family's enrollment to another program for which the family continues to be eligible prior to the date of disenrollment of services or to exchange the family's existing enrollment with the enrollment of a family in another program, provided that both families satisfy the eligibility requirements for the program in which they are being enrolled. The transfer of enrollment may be to another program within the same contracting agency or to another agency that administers state or federally funded early learning and care programs.

## **XVI. ADMISSION POLICIES AND PROCEDURES**

### **A. General Admission Procedures**

(5 *CCR* 17743)

Contractors shall develop written admission policies and procedures that shall be made available to the public. The admission procedures established shall conform to requirements in 22 *CCR* 101218.

### **B. Admission Priorities, Waiting List and Displacement**

Contractors shall maintain a current waiting list in accordance with admission priorities. Contractors may satisfy this requirement by participating in a county child care centralized eligibility list. When filling vacancies, contractors shall contact applicants in order of priority from the waiting list. Families shall be enrolled in accordance with admission priorities above.

If it is necessary to displace families, families shall be displaced pursuant to *EC* 8214.

#### **1. Part-day CSPP Admission Priorities (*EC* 8210; 5 *CCR* 17746)**

- a. First priority: Contractors shall give first priority for services to CSPP three- and four-year-old children who are recipients of child protective services, or who have been determined to be neglected, abused, or exploited or at risk thereof. If an agency is unable to enroll a child in this first priority category, the agency shall refer the child's parent or guardian to local resources and referral services so that services for the child can be located.
- b. Second priority: Contractors shall give second priority for services to all three- and four-year-old children with disabilities from families with incomes below the income eligibility threshold. This priority is for children with disabilities that are enrolling in CSPP after the percentage of funded enrollment set-aside pursuant to paragraph (1) of subdivision (c) of *EC* 8208, is filled.
- c. Third priority: Contractors shall give third priority for services to eligible CSPP four-year-old children not enrolled in TK, not including children with disabilities with incomes above the income threshold, in the following order:
  - i. Eligible children who were enrolled in CSPP as a three-year-old.
  - ii. Children whose families have the lowest income ranking based on the most recent Schedule of Income Ceiling eligibility table as published by the SSPI at the time of enrollment.
  - iii. When two or more families have the same income ranking, according to the most recent Schedule of Income Ceiling eligibility table, the child that has a primary home language other than English shall be enrolled first.



- iv. If there are no families with children that have a primary home language other than English, the family that has been on the waiting list for the longest time shall be admitted first.
- v. NOTE: Contractors must use the processes in MB 22-04a to determine if a child is a dual language learner prior to prioritization.
- d. Fourth priority: Contractors shall give fourth priority for services to eligible CSPP three-year old children, not including children with disabilities that are above the income threshold, in the following order:
  - i. Children whose families have the lowest income ranking based on the most recent Schedule of Income Ceiling eligibility table as published by the SSPI at the time of enrollment.
  - ii. When two or more families have the same income ranking, according to the most recent Schedule of Income Ceiling eligibility table, the child that has a primary home language other than English shall be enrolled first.
  - iii. If there are no families with children that have a primary home language other than English, the family that has been on the waiting list for the longest time shall be admitted first.

NOTE: Contractors must use the processes in MB 22-04a to determine if a child is a dual language learner prior to prioritization.

- e. After all otherwise eligible children have been enrolled, the contractor may enroll the following children in the order listed:
  - i. Children from families whose income is no more than 15% above the eligibility income threshold may be enrolled. Children from families enrolled under this exception may not exceed ten percent of the participating CSPP's total contract enrollment. Priority shall be given to four-year-olds before three-year-olds. Children with disabilities within this priority shall not count towards the ten percent limitation.
  - ii. For CSPP Neighborhood School sites operating within the attendance boundaries of a qualified FRPM school, the contractor may enroll CSPP three- and four-year-old children whose families reside within the attendance boundary of the qualified FRPM elementary school without establishing eligibility. These families shall, to the extent possible, be enrolled in income ranking order, lowest to highest.
  - iii. Children enrolling in the CSPP to provide expanded learning and care to TK or K pupils, pursuant to *EC 48000(l)*.
- f. Contractors shall not deny service to nor assign a lower priority to a family that needs less than full-time services.

- g. The CDE may grant a waiver to the priorities specified above in order for the contractor to serve specific populations. Requests may not include waiver of the fee schedule or admission of ineligible families. Waiver requests shall be submitted to the CDE and approved prior to implementation.

2. Full-day CSPP Admission Priorities (*EC 8211; 5 CCR 17747*)

- a. First priority: Contractors shall give first priority for services to CSPP three- and four-year-old children who are recipients of child protective services, or who have been determined to be neglected, abused, or exploited or at risk thereof. If an agency is unable to enroll a child in this first priority category, the agency shall refer the child's parent or guardian to local resources and referral services so that services for the child can be located.
- b. Second priority: Contractors shall give second priority for services to all three- and four-year-old children with disabilities from families with incomes below the income eligibility threshold. This priority is for children with disabilities that are enrolling in CSPP after the percentage of funded enrollment set-aside pursuant to paragraph (1) of subdivision (c) of *EC 8208*, is filled.
- c. Third priority: Contractors shall give third priority for services to eligible CSPP four-year-old children, not enrolled in TK, not including children with disabilities with incomes above the income threshold, in the following order:
  - i. Eligible children who were enrolled in CSPP as a three-year-old.
  - ii. Children whose families have the lowest income ranking based on the most recent Schedule of Income Ceiling eligibility table as published by the SSPI at the time of enrollment.
  - iii. When two or more families have the same income ranking, according to the most recent Schedule of Income Ceiling eligibility table, the child that has a primary home language other than English shall be enrolled first.
  - iv. If there are no families with children that have a primary home language other than English, the family that has been on the waiting list for the longest time shall be admitted first.

NOTE: Contractors must use the processes in MB 22-04a to determine if a child is a dual language learner prior to prioritization.

- d. Fourth priority: Contractors shall give fourth priority for services to eligible CSPP three-year old children, in the following order:
  - i. Children whose families have the lowest income ranking based on the most recent Schedule of Income Ceiling eligibility table as published by the SSPI at the time of enrollment.
  - ii. When two or more families have the same income ranking, according to the

most recent Schedule of Income Ceiling eligibility table, the child that has a primary home language other than English shall be enrolled first.

- iii. If there are no families with children that have a primary home language other than English, the family that has been on the waiting list for the longest time shall be admitted first.

NOTE: Contractors must use the processes in MB 22-04a to determine if a child is a dual language learner prior to prioritization.

- e. After all otherwise eligible children have been enrolled, the contractor may enroll the following children in the order listed:
  - i. Children from families whose income is no more than 15% above the eligibility income threshold may be enrolled. Children from families enrolled under this exception may not exceed ten percent of the participating CSPP's total contract enrollment. Priority shall be given to four-year-olds before three-year-olds. Children with disabilities within this priority shall not count towards the ten percent limitation.
  - ii. The contractor may enroll CSPP three- and four-year old children from families that meet eligibility criteria without establishing a need for services. Within this priority, contractors shall enroll families in income ranking order, lowest to highest, and enroll four-year-olds before three-year-olds.
  - iii. For CSPP Neighborhood School sites operating within the attendance boundaries of a qualified FRPM school, the contractor may enroll CSPP three- and four-year-old children whose families reside within the attendance boundary of the qualified FRPM elementary school without establishing eligibility or a need for services. These families shall, to the extent possible, be enrolled in income ranking order, lowest to highest.
- f. Contractors shall not deny service to nor assign a lower priority to a family that needs less than full-time services.

### C. Enrollment Priorities for Head Start Collaborative Programs

(5 CCR 17748)

When the CSPP contractor is also a Head Start grantee or delegate agency or has a signed collaboration agreement with a Head Start grantee or delegate agency, the contractor shall utilize the CSPP waiting list in conjunction with the Head Start program waiting list and enroll children in the following priority order:

1. First priority shall be given to CSPP age eligible children that have been identified at risk of abuse, neglect, or exploitation or who are receiving child protective services;
2. Second priority shall be given to all three- and four-year-old children with disabilities

from families with incomes below the income eligibility threshold. This priority is for children with disabilities that are enrolling in CSPP after the percentage of funded enrollment set-aside pursuant to paragraph (1) of subdivision (c) of *EC 8208*, is filled.

3. Third priority shall be given to CSPP eligible four-year-old children from families that meet Head Start income guidelines, and have the lowest income ranking based on the most recent income ranking schedule adopted by the SSPI;
4. Fourth priority shall be given to CSPP eligible four-year-old children from families that meet applicable Head Start priorities as stipulated in the Eligibility, Recruitment, Selection, Enrollment, and Attendance requirements (45 *CFR* Section 1305);
5. Fifth priority shall be given to CSPP eligible three-year-old children from families that meet Head Start income guidelines, and have the lowest income ranking based on the most recent income ranking schedule adopted by the SSPI; and
6. Sixth priority shall be given to CSPP eligible three-year-old children from families that meet applicable Head Start priorities as stipulated in the Eligibility, Recruitment, Selection, Enrollment, and Attendance requirements (45 *CFR* Section 1305).

D. Policies to Prevent Suspension, Expulsion and Denial of Services to Preschool Children  
(*EC 8489* and *8489.1*)

1. Except as authorized by paragraph (3) below, a CSPP program shall not do either of the following:
  - a. Expel or unenroll a child because of a child's behavior.
  - b. Persuade or encourage a child's parents or legal guardians to voluntarily unenroll from the program due to a child's behavior.
2. If a child exhibits persistent and serious behaviors, the program shall expeditiously pursue and document reasonable steps, including, but not limited to:
  - a. Consulting with the child's parents or legal guardians and teacher, and, if available, engaging an early childhood mental health consultant, to maintain the child's safe participation in the program.
  - b. The program shall inform the parents or legal guardians of a child exhibiting persistent and serious behaviors of the process described in this section in writing, including a description of the behaviors and the program's plan for maintaining the child's safe participation in the program.
  - c. If the child has an individualized family service plan or individualized education program, the program, with written parental consent, shall:
    - i. Contact the agency responsible for the individualized family service plan or individualized education program to seek consultation on serving the child.

- ii. The program shall consider, if appropriate, completing a comprehensive screening to identify the needs of the child, including, but not limited to, screening the child's social and emotional development, referring the child's parents or legal guardians to community resources, and implementing behavior supports within the program.
  - d. If a program has expeditiously pursued and documented reasonable steps to maintain the child's safe participation in the program and determines, in consultation with the parents or legal guardians of the child, the child's teacher, and, if applicable, the local agency responsible for implementing the federal Individuals with Disabilities Education Act (20 USC 1400 et seq.), that the child's continued enrollment would present a serious safety threat to the child or other enrolled children, it shall refer the parents or legal guardians to other potentially appropriate placements, the local childcare resource and referral agency, or other referral service available in the local community, and, to the greatest extent possible, support direct transition to a more appropriate placement. The program may then unenroll the child.
3. A program shall have up to 180 days to complete the process described in paragraph (2).
4. Except as provided in paragraphs (5), (6), and (7) below, a program shall not do either of the following:
  - a. Suspend a child due to a child's behavior.
  - b. Encourage or persuade a child's parents or legal guardians to prematurely pick up a child due to a child's behavior before the program day ends.
5. Suspension shall only be used as a last resort in extraordinary circumstances when there is a serious safety threat that cannot be reduced or eliminated without removal. To the greatest extent possible, a program shall endeavor to ensure the full participation of enrolled children in all program activities.
6. Before a program determines that suspension is necessary, the program shall collaborate with the child's parents or legal guardians and use appropriate community resources, as needed, to determine no other reasonable option is appropriate, and provide written notice to the child's parents or legal guardians pursuant to paragraph (9).
7. If suspension is deemed necessary, a program shall help the child return to full participation in all program activities as quickly as possible while ensuring child safety by doing all of the following:
  - a. Continuing to engage with the parents or legal guardians and continuing to use appropriate community resources.

- b. Developing a written plan to document the action and supports needed.
  - c. Providing referrals to appropriate community services.
  - d. If the child has an individualized family service plan or individualized education program, the program, with written parental consent, shall contact the agency responsible for the individualized family service plan or individualized education program to seek consultation on serving the child.
8. Upon enrollment of a child, a program shall notify the child's parents or legal guardians of the limitations on disenrollment, including expulsion and suspension provided in this section. This notification shall be in writing and shall inform parents on how they may file an appeal to the department in the event of the expulsion or suspension of a child.
9. In the event a program suspends or expels a child, the program shall issue the child's parent or guardian a written "Notice of Action, Recipient of Services," as described in Section 17783 of 5 CCR, with the exception that the effective date of the action may be no less than 24 hours after service of the notice. The agency shall, at the same time, inform the parent or guardian in writing of their right to file an appeal of the action directly with the department no later than 14 calendar days after receipt of the notice. Because the action to suspend or expel a child involves persistent and serious behaviors that impact the safety of children, the program is not required to allow the child to receive services during the appeal.
10. A program shall maintain records on all of the following information:
- a. The number of times the process described in (2) above was initiated during a program year, and the outcome of each reported instance.
  - b. The number of times the process described in paragraphs (6) and (7) above was initiated during a program year, and the outcome of each reported instance, including, if applicable, how long a child was excluded from the program.
  - c. The data collected pursuant to paragraphs (10)(a) and (10)(b) shall include for each child, at a minimum, age, sex, race and ethnicity, foster status, home language, disability, and whether the child has an individualized family service plan or an individualized education program.
11. This section shall not apply to licensed family childcare providers until the joint labor-management committee established pursuant to paragraph (2) of subdivision (a) of *WIC 10424.5*, makes recommendations for potential changes related to suspensions and expulsions.

## **XVII. FAMILY FEES**

A. Fee Schedule

(5 CCR 17733)

Contractors enrolling families for full-day services shall use the most recent family fee schedule adopted by the State Superintendent of Public Instruction when determining whether a family fee is applicable and the amount of a family's fee.

Family fees shall be assessed at initial enrollment, recertification, or when a parent requests a reduction to the family fee and provides documentation to support.

B. Fee Assessment; Explanation to Parents

(5 CCR 17734)

1. Except as noted in 5 CCR 17735, families with children enrolled in full-day, full-year programs shall be assessed a family fee, including families with children with disabilities. The following factors shall be used in determining the fee to be assessed for each family:
  - a. The adjusted monthly family income;
  - b. Family size;
  - c. Certified schedule.
2. The family fee shall be assessed and collected based on the family's child who is enrolled for the longest period.
3. The fee assessed and collected shall be either the fee indicated on the fee schedule, the actual costs of services or the contract maximum daily/hourly rate, whichever is least.
4. No adjustment shall be made for excused or unexcused absences.
5. The fee shall be the full portion of the family's cost for services.
6. The contractor shall maintain a record of each family's fee assessment, the effective date(s) of each fee increase or decrease, the dates and amounts of fees collected and any amounts which are delinquent.
7. The contractor shall provide the family a copy of and explain to the parent(s) in advance of collecting family fees, the contractor's policies regarding fee assessment and collection and the possible consequences for delinquent payment of fees.
8. When assessing the family fee, contractors shall use the total monthly certified need as documented on the application for services.
  - a. When a family is certified for 130 hours or more per month, a full-time monthly fee is assessed.

- b. When a family is certified for under 130 hours, a part-time monthly fee is assessed.
9. When the initial enrollment is not on the first day of the month, the contractor must assess a fee based on the certified hours for the partial month and another fee for subsequent months based on the certified need as documented in the application for services.
10. Contractors shall factor in the approved program calendar and include in the Notice of Action which months the part-time and/or full-time fees apply.
11. Contractors shall assess a family fee for families who are certified based on an eligibility criterion other than income eligible, and are not exempt from a family fee, including families with children with disabilities. These families are required to self-certify their income for purposes of assessing a family fee. For families enrolled in CSPP with eligibility based on the family's certification in another means-tested government program pursuant to *EC 8213*, contractors shall use the income declared on the application for the means-tested government program to assess the family fee. Families whose incomes are higher than the maximum income for their family size represented on the annual family fee schedule shall pay the highest fee rate for their family size.
12. For children with disabilities who are placed in the CSPP pursuant to an IEP, no fees shall be collected from the family to ensure children with disabilities are provided a free appropriate public education (FAPE).
  - a. Any family fee shall be paid by the local educational agency (LEA) placing the child with exceptional needs in the CSPP.
  - b. The LEA placing the student with disabilities in the CSPP is responsible for providing the student with disabilities with a FAPE; therefore, any family fee shall be paid by the LEA.
  - c. Contractors shall work with the placing LEA to determine the most efficient method of collecting family fees for these children.

C. Exceptions to Fee Assessment

(5 *CCR 17735*)

No family fees shall be collected from families with any of the following circumstances:

1. Families with an income level that, in relation to family size, is less than the first entry in the fee schedule;
2. Families receiving CalWORKs cash aid;
3. Families whose children are enrolled in part-day CSPP;



4. A child that receives child protective services, or is at-risk thereof, may be exempt for up to 12 months if it is required by the services plan.

D. No Additional Payments or Costs/Exceptions

(5 CCR 17736)

A contractor shall not require additional payments, in cash or in kind, as a condition of participation, except as provided below:

1. A contractor may charge recipients of services for field trips only under the following conditions:
  - a. The fee has been established in a written policy adopted by the governing board that includes a parent advisory committee in the decision-making process.
  - b. The maximum total charges per child in a contract year shall not exceed \$25.
  - c. A child shall not be denied participation in a field trip due to a parent's inability or refusal to pay the charge. No adverse action shall be taken against any parent or child for their inability or refusal to pay.
  - d. Federal or state money shall not be used to reimburse parents for the costs of field trips if those costs are charged as an additional fee. A contractor that charges parents an additional fee for field trips shall inform the parents, prior to enrolling the child, that a fee may be charged and that no reimbursement will be available.
  - e. The contractor shall establish a payment system that prevents the identification of children based on whether or not their parent(s) have paid a field trip fee.
2. The contractor may only require that families provide diapers if the contractor has a written policy adopted by the governing board that includes a parent advisory committee in the decision-making process.

E. Credit for Fees Paid to Other Service Providers

(5 CCR 17737)

This section shall apply to early childhood services provided by someone other than the contractor. When a contractor cannot meet all of a family's needs for child care for which eligibility and need in *EC 8208(c)* have been established, the contractor shall grant a fee credit equal to the amount paid to the other provider(s) of these early childhood services.

The contractor shall apply the fee credit to the family's subsequent fee billing period. The family shall not be allowed to carry over the fee credit beyond the family's subsequent fee billing period.

The contractor shall obtain copies of receipts or canceled checks for the other early learning and care services from the parent. The copies of the receipts or canceled checks shall be maintained in the contractor's fee assessment records.

F. Receipt for Payment of Fee

(5 CCR 17738)

The contractor or service provider shall provide an original copy of a pre-numbered receipt to each person who pays a fee. The receipt shall show the amount paid, the date of payment, the rate of payment and the period of service purchased. The contractor shall retain a copy of the receipt in its fee assessment records.

G. Delinquent Fees; Notice of Delinquency; Plan for Payment

(5 CCR 17739)

Fees shall be considered delinquent after seven calendar days from the date the fees were due.

A Notice of Action (NOA), Recipient of Services shall be used to inform the family of the following:

1. The total amount of unpaid fees;
2. The fee rate;
3. The period of delinquency; and
4. That services shall be terminated two weeks from the date of the Notice unless all delinquent fees are paid before the end of the two-week period.

The contractor shall accept a reasonable plan from the parent(s) for payment of delinquent fees. The contractor shall continue to provide services to the child, provided the parent(s) pays current fees when due and complies with the provisions of the repayment plan.

H. Consequences of Nonpayment of Delinquent Fees

(5 CCR 17740)

Upon termination of services for nonpayment of delinquent fees, the family shall be ineligible for preschool services until all delinquent fees are paid.

## **XVIII. CONFIDENTIALITY OF RECORDS**

(5 CCR 17732)

The use or disclosure of all information pertaining to the child and the child's family shall be restricted by the contractor to purposes directly connected with the administration of the program or otherwise permitted by law. The contractor shall permit the review of the family data file by the child's parent(s) or parent's authorized representative, upon request and at reasonable times and places.

## **XIX. DUE PROCESS REQUIREMENTS**

### **A. NOA, Application for Services; Notice of Approval or Denial**

(5 CCR 17782)

After initial certification, the contractor's decision to approve or deny services shall be communicated to the applicant through a written NOA, Application for Services, in accordance with 5 CCR 17782.

The contractor shall maintain copies of the NOA, Application for Services in the family data file. The written statement may be communicated to the applicant through electronic means. The contractor shall send the NOA, Application for Services to the parent(s) within 30 calendar days from the date the application is signed by the parent(s) and shall be transmitted to the parent in the matter requested by the parent in the Application for Services. The contractor must make all attempts to provide the family with a NOA, Application for Services in the parent's primary language.

The NOA, Application for Services shall include:

1. The applicant's name and address;
2. The contractor's name and address;
3. The name and telephone number of the contractor's authorized representative who made the decision;
4. The date of the notice;
5. The method of distribution of the notice.

If services are approved, the notice shall contain:

1. Basis of eligibility;
2. Monthly fee, if applicable including the income used to calculate the family fee, and an explanation of how the fee was calculated;
3. Duration of the eligibility, which must be no less than 24 months for full-day CSPP, and through the end of the program year for part-day CSPP;
4. Names of children approved to receive services;
5. Hours of service approved for each day.

If the services are denied, the notice shall contain:

1. The specific basis of denial; and
2. Instructions for the parent(s) on how to request a hearing if they do not agree with

the contractor's decision as stated in the NOA, Application for Services in accordance with procedures specified in 5 CCR 17784 and 17785.

If the family has applied for CSPP services through a family child care home provider, the provider shall be sent a copy of the Notice of Action, Application for Services at the same time the family is sent the notice.

B. NOA, Recipient of Services

(5 CCR 17783)

1. The NOA, Recipient of Services is used when there is any change to the service agreement including, but not limited to:
  - a. The contractor determining, at recertification, that the need or eligibility requirements are not met;
  - b. The contractor modifying the family fee or the amount of service; or
  - c. The contractor terminating services
2. The contractor shall maintain copies of all NOAs, Recipient of Services in the family's data file. The NOA, Recipient of Services should be sent to the parent in the manner requested by the parent in the Application for Services and the contractor must make all attempts to provide it to the family in the parent's primary language.
3. The NOA, Recipient of Services must provide detailed information sufficient for the family to determine what the issue is, to understand the reason for the action being taken, and to decide whether to appeal the NOA. The NOA, Recipient of Services shall include:
  - a. The type of action being taken;
  - b. The effective date of the action;
  - c. The name and address of the recipient;
  - d. The name and address of the contractor;
  - e. The name and telephone number of the contractor's authorized representative who is taking the action;
  - f. The date the notice is mailed, emailed, or given to the recipient;
  - g. The method of distribution to the recipient;
  - h. A description of the action;
  - i. A statement of the specific fact(s) that support the proposed changes; and

- j. Instructions for the parent(s) on how to request a hearing if they do not agree with the contractor's decisions as stated in the NOA, Recipient of Services in accordance with procedures specified in 5 CCR 17784 and 17785. These instructions shall inform parents how to request a hearing from the contractor and, if necessary, from the EED, as described in 5 CCR 17784 and 17785.
4. The effective date of any changes to the service agreement must be no sooner than the following, depending upon method of service:
    - a. At least 14 days prior to the effective date of the action if the Notice of Action, Recipient of Services is:
      - i. Given personally to the parent; or
      - ii. Sent through electronic methods such as email or facsimile or similar instantaneous electronic methods.
    - b. At least 15 days prior to the effective date of the action if the Notice of Application, Recipient of Services is sent via overnight delivery;
    - c. At least 19 days prior to the effective date of the action if the Notice of Action, Recipient of Services is mailed.
  5. If an NOA, Recipient of Services provides only for a reduction in a family fee or an increase in the amount of services, the effective date of the action should be immediate.

C. Parent(s) Request for a Hearing and Procedures

(5 CCR 17784)

If the parent disagrees with an action, taken by the contractor in a NOA, the parent(s) may file a request for a hearing with the contractor within 14 calendar days of the date the NOA was received. The contractor shall document the method of delivery and date the NOA was sent to the parent.

Upon the filing of a request for hearing, the intended action shall be suspended until the administrative appeal process has been completed, except in the instance of a suspension or expulsion pursuant to *EC 8489.1*. The review process is complete when the appeal process has been exhausted or when the parent(s) abandons the appeal process.

Within 10 calendar days following the receipt of the request for a hearing, the contractor shall notify the parent(s) of the time and place of the hearing. The time and place of the hearing shall, to the extent possible, be convenient for the parent(s).

The hearing shall be conducted by an administrative staff person who shall be referred to as "the hearing officer." The hearing officer shall be at a staff level higher in authority than the staff person who made the contested decision and should not have participated

in making the decision being contested.

The parent(s) or parent's authorized representative is required to attend the hearing. If the parent or the parent's authorized representative fails to appear at the hearing, the parent will be deemed to have abandoned his or her appeal unless the parent can demonstrate to the contractor that they had good cause for their failure to appear, in which case the hearing shall be rescheduled. Only persons directly affected by the hearing shall be allowed to attend.

The contractor shall arrange for the presence of an interpreter at the hearing, if one is requested by the parent(s), at no cost to the parent.

The hearing officer shall explain to the parent(s) the legal, regulatory, or policy basis for the intended action.

During the hearing, the parent(s) shall have an opportunity to explain the reason(s) they believe the contractor's decision was incorrect. The contractor's staff shall present any material facts omitted by the parent(s) and the parent(s) shall have the right to respond.

The hearing officer shall mail or deliver to the parent(s) a written decision within 10 calendar days after the hearing. The written decision shall contain procedures for submitting an appeal to the CDE.

#### D. Appeal Procedure for CDE Review

(5 CCR 17785)

If the parent(s) disagree(s) with the written decision from the contractor, the parent has 14 calendar days in which to appeal to the CDE. The contractor shall document the method of delivery and the date the decision was sent to the parent.

The appeal must be received within 14 calendar days of the date on the contractor's written decision. If the parent(s) do(es) not submit an appeal request to the CDE within 14 calendar days, the parents' appeal process shall be deemed abandoned, and the contractor may implement the intended action.

The parent(s) shall specify in the appeal request the reason(s) why they believe the contractor's decision was incorrect. A copy of the contractor's notice of intended action and written decision shall be submitted by the parent(s) with the appeal request.

Upon receipt of an appeal request, the CDE may request copies of the family's data file and other relevant materials from the contractor and may request additional information from the parent(s). The CDE may also conduct any investigations, interviews or mediation necessary to resolve the appeal. Any mediation of the appeal shall be conducted with the consent of both the parent(s) and the contractor.

The decision of the CDE shall be mailed or delivered to the parent(s) and to the contractor within thirty (30) calendar days after receipt of the appeal request.

The CDE shall send the appeal decision in the delivery method preferred by the parent.

E. Contractor Compliance with the CDE Decision; Reimbursement for Services During the Appeal Process

(5 CCR 17786)

The contractor shall comply with the decision of the CDE immediately upon receipt thereof. The contractor shall be reimbursed for preschool services provided to the family during the appeal process. If a contractor's determination that a family is ineligible is upheld by the CDE, services to the family shall cease upon receipt of the CDE's decision by the contractor.



## **XX. STAFFING QUALIFICATIONS**

### **A. Program Director**

(*EC 8205(q)*, 8298 and 5 *CCR 17720*)

1. Staff must meet the qualifications in subsections (a), (b), or (c) below to be considered a “program director” in the CSPP.
  - a. A permit issued by the Commission on Teacher Credentialing authorizing supervision of a care childcare and development program operating in multiple sites. This can be either of the following permits:
    - i. Child Development Program Director Permit; or
    - ii. Children's Center Supervision Permit
  - b. A current credential issued by the Commission on Teacher Credentialing authorizing teaching service in elementary school or a single subject credential in home economics, and six units in administration/supervision of early childhood education (ECE/CD) (not required to any person who was employed as a program director prior to January 1, 1993, in an early childhood program receiving funding by the Early Learning and Care Education Division) and 12 units of ECE/CD or at least two years of experience in an ECE/CD program; or
  - c. An Administrative Services Credential authorizing administration or supervision in public schools in California that includes a preschool authorization.
2. The CDE may waive the qualifications for program director upon a finding of one of the following:
  - a. The applicant is making satisfactory progress toward securing a permit issued by the Commission on Teacher Credentialing authorizing supervision of an early learning and care program operating in two or more sites or fulfilling the qualifications for program directors in severely handicapped programs.
  - b. The place of employment is so remote from institutions offering the necessary coursework as to make continuing education impracticable, and the contractor has made a diligent search but has been unable to hire a more qualified applicant.
3. Waivers granted shall remain in effect for the period of time specified by the EED.

### **B. Site Supervisor**

(*EC 8205(t)* and 8298; 5 *CCR 17718* and 17719)

1. Staff must meet the qualifications in subsections (a), (b), or (c) below to be considered a “site supervisor” in the CSPP.

- a. A permit issued by the Commission on Teacher Credentialing authorizing supervision of a childcare and development program operating in single site. This can be either of the following permits:
    - i. Child Development Site Supervisor Permit; or
    - ii. Children's Center Supervision Permit
  - b. A current credential issued by the Commission on Teacher Credentialing authorizing teaching service in elementary school or a single subject credential in home economics, and six units in administration/supervision of ECE/CD (not required to any person who was employed as a program director prior to January 1, 1993 in an early childhood program receiving funding by CDE's EED) and 12 units of ECE/CD or at least two years of experience in an ECE/CD program; or
  - c. An Administrative Services Credential authorizing administration or supervision in public schools in California that includes a preschool authorization.
2. The CDE shall grant a waiver of this requirement upon a contractor's demonstration of the existence of compelling need. Factors the CDE shall consider in determining compelling need are as follows:
    - a. Evidence that the contractor's recruitment efforts have not been successful in obtaining qualified applicants.
    - b. Evidence of the contractor's inability to offer competitive salaries.
    - c. Evidence of potential or current staff's lack of reasonable access to training resources which offer required course work.
  3. Waivers granted shall remain in effect for the period of time specified by the EED.
  4. The site supervisor shall, at a minimum, meet the qualifications specified in 22 CCR, Community Care Licensing Standards for "program director."

C. Teacher

(5 CCR 17717)

1. Staff must meet the qualifications in subsections (a) or (b) to be considered a "teacher" in the CSPP.
  - a. A permit issued by the Commission on Teacher Credentialing authorizing service in the care, development, and instruction of children in a childcare and development program. This can be any of the following permits:
    - i. Regular Children's Center Instructional Permit;
    - ii. Limited Children's Center Instructional Permit;

- iii. Emergency Children's Center Instructional Permit;
  - iv. Child Development Master Teacher Permit;
  - v. Child Development Teacher Permit; or
  - vi. Child Development Associate Teacher Permit (Note: This permit authorizes the holder to supervise Assistant Permit holders and an aide.)
- b. A current credential issued by the Commission on Teacher Credentialing authorizing teaching service in elementary school or a single subject credential in home economics, and 12 units in early childhood education and/or child development (ECE/CDE) or two years of experience in early childhood education or a childcare and development program.

## **XXI. STAFFING RATIOS**

(5 CCR 17713, 17714, 17715, and 17716)

1. Contractors shall maintain at least the following minimum ratios in all centers:

- a. 1:8 adult-child ratio
- b. 1:24 teacher-child ratio

The associate teacher permit is the minimum qualifications allowed for a teacher in CSPP. As a reminder, all children and adults included in the ratio that do not meet the minimum requirements of a teacher must be visually supervised by a teacher at all times. Therefore, all teacher assistants including but not limited to, Child Development Assistants, paraprofessionals, teacher aides, parent volunteers, and any other person assisting in the development and instruction of children in a CSPP classroom must be under the direct visual supervision of a Child Development Permit (CDP) Associate Teacher, CDP Teacher, CDP Master Teacher, CDP Site Supervisor, or CDP Program Director.

2. Except as otherwise provided in 22 CCR, Community Care Licensing Standards, the full-day CSPP may exceed adult-child ratios prescribed by 5 CCR 17713 by fifteen percent (15%) of the total number of children in attendance for a period of time not to exceed one hundred twenty (120) minutes in any one day.

When determining the 15% allowable additional child to the total adult/child ratio, and to ensure contractors remain within the 15% allowable limitation, contractors should round down to the nearest whole number. For example, if there are 16 children in attendance, 15% would mean an additional 2.4 children could be included in the ratio for a maximum of 120 minutes; however, contractors would need to round down to only two additional children because rounding up to three (3) additional children would exceed the 15%.

3. Contractors that also receive funding to operate a federal Head Start program may follow Head Start staffing ratios. If a contractor chooses to follow Head Start staffing ratios, they must also follow Head Start group sizes.
4. The ratio for full-day CSPP during a scheduled nap period may be a 1:24 teacher-child ratio, provided that the remaining staff necessary to meet the adult-child ratio specified in 5 CCR 17713 are immediately available at the center.
5. For paragraph (4) to apply, all napping children shall remain on a cot/mat. If one child gets up, additional staff need to be called in immediately to meet the required adult-child ratio.
6. Contractors that operate through Family Child Care Home Education Networks shall follow the adult-child ratios for family child care homes pursuant to 22 CCR 102416.5.

7. Compliance with these ratios shall be determined based on actual attendance.
8. Comingling of age categories. Except when operating a classroom with TK and CSPP children commingled, or when operating through a family childcare home, whenever groups of children of two (2) age categories are commingled and the younger age group exceeds fifty percent (50%) of the total number of children in attendance, the ratios for the entire group must meet the ratios required for the younger age group. If the younger age group does not exceed fifty percent (50%) of the total number of the children in attendance, the teacher-child and adult-child ratios shall be computed separately for each group.
9. Adult volunteers. Contractors may recruit a maximum of one adult volunteer per 24 children to meet adult/child ratios for part-day CSPP, under the following conditions:
  - a. Adult volunteer shall obtain a criminal record clearance as specified in 22 *CCR* 101170.
  - b. Shall meet personnel requirements specified in 22 *CCR* 101216.
  - c. The contractor shall ensure that adult/child ratios are maintained during program operations.
  - d. The contractor shall have a written plan indicating how the program will meet the adult/child ratios in the event that the adult volunteer is not able to participate on any given day.

## **XXII. RECORDS ON FILE CONCERNING LICENSED SERVICE PROVIDERS**

Contractors providing services through family child care home providers shall maintain the following records concerning licensed service providers:

1. A statement of the service provider's current fees with information regarding the provider's usual and customary services provided for those fees.
2. A statement signed by the provider that the early learning and care services being provided do not include religious instruction or worship.
3. A document that contains the rate and schedule of payment for approved services that is signed by both the service provider and the contractor.
4. A copy of the facility license that shows the authorized capacity of the facility.
5. The name, address and telephone number of the service provider.
6. The age group(s) served by the provider.

A declaration by the provider that the parents have unlimited access to their children and providers caring for their children during normal hours of provider operation and whenever the children are in the care of the provider.

## **XXIII. INFORMATION TO SHARE WITH THE PARENTS**

Each child care facility shall permanently post, in a prominent location, information about the registered sex offender database that is available on the Megan's Law Website, <https://www.meganslaw.ca.gov/>, and give families one of the two licensing forms (LIC 995 or 995A, Notification of Parents' Rights) provided by the State Department of Social Services.

## XXIV. DUAL LANGUAGE LEARNERS

1. Contractors must determine dual language learner status for every child enrolled in CSPP by one of two approaches:
  - a. Conduct the Family Language Instrument to determine dual language learner status, or
  - b. Obtain information on the child's designation as an English learner in TK or K. (This approach is only possible if the child is dually enrolled in CSPP and TK or K for expanded learning and care.)
2. Contractors must refer to MB 22-04(a) for information on the process for identifying a child as a dual language learner and the specific data reporting requirements for children that are dual language learners.
3. Contractors are required to report data on dual language learners enrolled in a CSPP along with family, classroom, and teacher information.
  - a. Contractors shall submit data within the Preschool Language Information System (PLIS) on a quarterly basis.
4. In order to utilize the dual language learner adjustment factor, contractors must use the process in MB 22-04(a) to determine if the child is a dual language learner prior to claiming the adjustment factor.
  - a. Documentation of dual language learner status will support the reporting of child days of enrollment under the dual language learner adjustment factor category and must be saved in the family data file.
5. The procedures to identify and report dual language learners are the sole responsibility of the CSPP contractor.
  - a. CSPP contractors operating a family childcare home education network (FCCHEN) are responsible for conducting the Family Language Instrument or obtaining documentation on English learner status for all children enrolled in their CSPP program as described above.
  - b. CSPP contractors operating a FCCHEN are also responsible for conducting the Family Language and Interest Interview with families enrolled in their FCCHEN contract.
  - c. The CDE encourages CSPP contractors operating a FCCHEN to conduct the Family Language and Interest Interview alongside, and in collaboration with, the family child care provider. To the extent this is not possible, the CSPP contractor operating the FCCHEN must share the results of the interview with the family child care provider serving the child.



- d. Family childcare providers operating in a CSPP FCCHEN are not responsible or liable for the accuracy of data collected. The identification and reporting of dual language learners by CSPP FCCHEN contractors shall not impact the status of a provider within a CSPP FCCHEN.

## **XXV. CHILDREN WITH DISABILITIES – CONTRACT SET ASIDE**

(EC 8208)

Children with exceptional needs as defined in *EC 8205* are also known as children with disabilities. In an effort to align more closely with federal special education law and programs, the CDE will refer to children with exceptional needs in this document as children with disabilities, and encourages contractors to describe these children as children with disabilities at the local level during implementation. All references in this document to children with disabilities references to children with exceptional needs in the *EC*.

Contractors are required to follow all requirements for the contract set aside for children with exceptional needs pursuant to *EC 8208*, including, but not limited to:

1. All contractors are required to reserve 7.5 percent of their funded enrollment for children with disabilities in the 2023-24 program year.
  - a. The 7.5 percent of the contractor's funded enrollment will be set aside specifically to allow children with disabilities, including children with severe disabilities, to be enrolled without regard to priority order.
  - b. Contractors will be fully funded for the percentage of enrollment, inclusive of the exceptional needs adjustment factor for that enrollment, to ensure funding is available to enroll children with disabilities within the percentage of enrollment set aside at any point during the fiscal year.
  - c. Contractors will receive additional reimbursement for providing services to children with disabilities or severe disabilities. The adjustment factor for children with disabilities, including children with severe disabilities, is 2.4.
2. Contractors not meeting the enrollment requirement set aside must conduct community outreach to special education partners to recruit additional children with disabilities into their programs.
3. The CDE will review data on compliance and will provide technical assistance to contractors to assist them in meeting the enrollment requirement set aside for children with disabilities.
4. Children with disabilities must be educated in the least restrictive environment (LRE) in accordance with 20 *USC* 1412(a)(5)(A).
5. In order to qualify as a child with disabilities, the child must have an active IFSP or IEP and be receiving services.
  - a. The days of enrollment for any child that qualifies as a child with disabilities, including children with severe disabilities, can be reported under the exceptional

needs or severely disabled adjustment factor categories as appropriate on the Enrollment, Attendance and Fiscal Report. Reporting the child's days of enrollment in these categories will provide additional reimbursement due to the applicable adjustment factor. Additionally, reporting the child's days of enrollment in the exceptional needs and severely disabled adjustment categories will ensure that the child is counted towards the set aside.

6. Transitioning from an IFSP to an IEP:

- a. If a child with an IFSP is turning 3 years old and is undergoing an assessment to determine whether the child is eligible for an IEP, the child can count toward the set aside until the determination is made as to whether the child is eligible for an IEP.
- b. If the child qualifies for an IEP and the parent consents to services, the child continues to count towards the set aside.
- c. If the child qualifies for an IEP and the parent does not consent to any early intervention or special education services, the child does not continue to count towards the set aside.
- d. If the child does not qualify for an IEP, then the child no longer counts toward the set aside.

7. Children referred for an assessment

- a. If a child without an IFSP is already enrolled in CSPP and then is referred for a special education assessment, the child does not count toward the set aside until that child has an active IEP.
- b. If a child qualifies for an IEP and the parent does not consent to any early intervention or special education services, the child does not count towards the set aside.

8. Within the set aside, children with disabilities from families with the lowest income, according to the income ranking on the most recent schedule of income ceiling eligibility table, must be enrolled first. If two or more families have the same income ranking, the child that has been on the waiting list the longest shall be enrolled first.

9. Additional data related to children with disabilities will be collected on an annual basis

- a. Contractors will report additional information regarding funded enrollment of the entire contract and specific information on enrolled children with disabilities.
- b. Contractors must also include how they were or were not able to meet the set aside percentage of funded enrollment for children with disabilities.

- c. If the set aside was not met, the contractors will be expected to include information about their conducted community outreach to special education partners to recruit additional children with disabilities.
10. To the maximum extent appropriate, children with disabilities must be educated with children who are nondisabled. Special classes, separate schooling, or other removal of individuals with disabilities from the educational environment may only occur if the nature or severity of the disability is such that education in the regular classes, with the use of supplementary aids and service, cannot be achieved satisfactorily.
- a. The IEP team, which may include a representative from the contractor providing services to the child, is responsible for determining the placement of children with disabilities, taking into consideration the LRE provisions, including any potential harmful effects on the student or on the quality of services the student needs.
11. Contractors must make every effort to enroll children with disabilities evenly throughout their program, throughout all contracted counties, sites, and classrooms. Concentrating enrollment for children with disabilities in specific counties, sites, or classrooms is not aligned with the intent of the new requirement to serve a certain percentage of children with disabilities in CSPP.

## **XXVI. QUALITY REQUIREMENTS**

### **A. Program Philosophy, Goals And Objectives**

(5 CCR 17701)

Each contractor shall have a written philosophical statement and goals and objectives that support that philosophy and address equity, diversity, inclusion, cultural and linguistic responsiveness. The governing body of each contractor shall approve the program philosophy, goals and objectives. The goals and objectives shall address the requirements contained in all of the sections of this article and shall reflect the cultural and linguistic characteristics of the families served by the contractor. The goals and objectives shall meet the needs of all children and their families, including children with disabilities and dual language learners.

### **B. Developmental Profile**

(EC 8203; 5 CCR 17702)

1. The contractor shall complete the age-appropriate Desired Results Developmental Profile, and submit it as directed by the CDE, for each child who is enrolled in the program for at least ten (10) hours per week.
2. The Desired Results Developmental Profile required above shall be completed for each child between 60 and 90 calendar days from the first day of attendance and at least once every 6 months thereafter.
3. The contractor shall use data from the developmental profiles to plan and conduct age and developmentally appropriate activities as required by the education program.
4. When a child will be transferring to a local public school from a program serving preschool-age children, the contractor shall provide the parent or guardian with information from the previous year deemed beneficial to the child and the public school teacher, including, but not limited to, development issues, social interaction abilities, health background, and diagnostic assessments, if any. The preschool program may, with permission of the parent or guardian, transfer this information to the child's elementary school.
5. If a child has exceptional needs, and/or has an Individualized Education Program, the developmental profile shall be completed with any necessary accommodations and adaptations and be submitted as directed by the CDE. Notwithstanding, (A) above, a developmental profile is required for a child with exceptional needs even if that child is enrolled for less than 10 hours per week.

C. Education Program

(5 CCR 17703)

The standards for the education program component shall include, but are not limited to, the following:

1. The program approach addresses equity, diversity and is developmentally, linguistically and culturally appropriate.
2. The program is inclusive of children with disabilities.
3. The program encourages respect for the feelings and rights of others.
4. The program uses information derived from data collected in the Desired Results Developmental Profile to plan activities that support individual, classroom, and program goals.
5. The program supports children's social and emotional development by:
  - a. Building trust;
  - b. Planning routines and transitions so they can occur in a timely, predictable, and unhurried manner;
  - c. Helping children develop emotional security and facility in social relationships.
6. The program provides for the development of each child's cognitive and language skills by:
  - a. Using various strategies, including experimentation, inquiry, observation, play, and exploration.
  - b. Ensuring opportunities for creative self-expression through activities such as art, music, movement, and dialogue.
  - c. Promoting interaction and language use among children and between children and adults; and
  - d. Supporting emerging literacy and numeracy development.
7. The program promotes each child's physical development by providing sufficient time, indoor and outdoor space, equipment, materials, and guidelines for active play and movement.

The program promotes and maintains practices that are healthy and safe.

8. The program uses data from the Desired Results Developmental Profile to support every child's developmentally appropriate participation in the program.

#### D. Staff Development Program

(5 CCR 17704)

Each contractor shall develop and implement a staff development program that includes the following:

1. Identification of training needs of staff or service providers that improves the quality, diversity, stability, and retention of caregivers, teachers, and directors;
2. Written job descriptions;
3. An orientation plan for new employees;
4. An annual written performance evaluation procedure unless a different frequency of performance evaluations is specified in a contractor's collective bargaining agreement with their employees;
5. Staff development opportunities that include topics related to the functions specified in each employee's job description and those training needs identified by the contractor. Staff development topics must be linked to the Desired Results System;
6. An internal communication system that provides each staff member with the information necessary to carry out his or her assigned duties.

Contractors providing center-based services may schedule up to two days of staff training (16 hours), per contract period, using state reimbursement funding on the topics including procedures for emergencies in preschool programs, licensing regulations relating to preschool programs, recognition and reporting of suspected abuse of children in preschool programs, managing challenging behaviors and preventing expulsion of children, and addressing items on the program's Quality Rating and Improvement System (QRIS) Quality plan.

#### E. Family Engagement and Strengthening

(5 CCR 17705)

Each contractor shall include in its program a family engagement and strengthening component that includes the following:

1. An orientation for parents that includes topics such as program philosophy, program goals and objectives, program activities, eligibility criteria and priorities for enrollment, fee requirements, and due process procedures;
2. At least two individual conferences with the parent(s) per year;
3. Parent meetings with program staff;
4. An open-door policy that encourages parents to participate in the daily activities whenever possible;

5. A Parent Advisory Committee that advises the contractor on issues related to services to families and children;
6. Sharing information between staff and parents concerning their child's progress.

F. Health and Social Services

(5 CCR 17706)

Each contractor shall include in its program a health and social service component that:

1. Identifies the needs of the child and the family for health or social services;
2. Refers a child and/or family to appropriate agencies in the community based on the health or social service needs; and
3. Conducts follow-up procedures with the parent to ensure that the needs have been met.

G. Community Involvement

(EC 8261; 5 CCR 17707)

Each contractor shall include in its program a community involvement component which shall include, but not be limited to, the following:

1. Facilitating relationships between the local educational agency or local regional centers and families that need services;
2. Soliciting support from the community including the solicitation for donated goods and services;
3. Providing information to the community regarding the services available;
4. Contractors may utilize media or other forms of communication in the community;
5. Collaborating with the local resource and referral agency to provide services to families.

H. Nutrition

(5 CCR 17708)

Each contractor shall include in its program a nutrition component that ensures that the children have nutritious meals and snacks during the time in which they are in the program. The meals and snacks shall be culturally and developmentally appropriate for the children being served and shall meet the nutritional requirements specified by the federal Child and Adult Care Food or the National School Nutrition program.

I. Program Self-Evaluation Process



(5 CCR 17709)

1. Each contractor shall develop and implement an annual plan for its program self-evaluation process.
2. The annual plan shall include the following:
  - a. A self-evaluation based on the contract monitoring review (CMR).
  - b. An assessment of the program by parents using the parent survey.
  - c. An assessment of the program by staff and board members as evidenced by written documentation.
  - d. An analysis of the CMR findings, including, as applicable, the Desired Results Developmental Profiles, the environment rating scales, and the parent surveys, together with all other self-evaluation findings.
  - e. A written list of tasks needed to modify the program in order to address all areas that need improvement, as indicated in the analysis specified above.
3. Procedures for the ongoing monitoring of the program to assure that areas of the program that are satisfactory continue to meet standards, and areas requiring modification are addressed in a timely and effective manner. The contractor shall submit a summary of the findings of the program self-evaluation to the CDE by June 1 of each year. The contractor may submit self-evaluation reports required by other local, state, or federal agency requirements, such as Head Start and Quality Counts California, and the CDE shall review such reports to determine if the reports meet all, or a part of, the requirements listed in 5 CCR 17709(b).
4. The contractor shall modify its program to address any areas identified during the self-evaluation as needing improvement.

J. Parent Survey

(5 CCR 17710)

1. Each contractor shall annually distribute the parent survey, to parents, collect the surveys from parents and analyze the results.
2. The contractor shall use the parent survey results to plan and conduct activities to help parents support their child's learning and development and to meet the family's needs.
3. The contractor shall use the results and analysis of the parent survey as part of its annual self-evaluation process.

K. Environment Rating Scales

(5 CCR 17711)

1. Center-based programs and family child care home networks shall complete an environment rating scale that is appropriate for the type of setting and age of children served to measure program quality. The environment rating scale shall be completed:
  - a. As part of the contract monitoring review, and
  - b. Annually as part of the self-evaluation process.
2. For each environment rating scale completed, the contractor shall achieve a minimum average score of “Good” on each subscale.

# General Terms and Conditions (GTC 04/2017)

## EXHIBIT C

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
  - a. The Government Code Chapter on Antitrust claims contains the following definitions:
    - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
    - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
  - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
  - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
  - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
  - a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
  - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
  - a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
  - b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)