



**DATE:** July 1, 2014  
**PROGRAM:** Small Population County  
Funding Augmentation  
**CONTROL NO.:** SPC 2014-01

## LOCAL AREA AGREEMENT FOR FIRST 5 CALIFORNIA PROGRAM FUNDS

**LEAD AGENCY:**

**LEAD AGENCY ADDRESS:**

**PROGRAM NAME:** Small Population County Funding Augmentation

On April 24, 2014, the State Commission approved a new funding methodology and accountability framework (Framework) to continue the support of First 5 County Commissions with small populations in their work and to ensure Proposition 10 is truly a statewide effort that impacts the lives of young children throughout California. The new funding approach reflects state and county input from the Small Population County Workgroup (Workgroup) and will be in effect beginning Fiscal Year (FY) 2014 - 15 and ending FY 2016 - 17.

The adopted Small Population County Funding Augmentation (SPCFA) formula is as follows:

1. The formula consists of a fixed, graduated baseline determined by the number of births in each county in 2011. The baseline amount will remain consistent for the duration of this SPCFA, regardless of number of live births in subsequent years.
2. The SPCFA provides funding to the 20 smallest population counties meeting the eligibility criteria of annual births of 1,000 or less.
3. First 5 California will augment the difference between the annual Proposition 10 tax revenue allocated to each county and the pre-determined baseline amount for the SPCFA.
4. The minimum baseline is \$275,000 for counties qualifying with 1–50 births, and increases by \$25,000 for each 50 births, as represented in the table on the following page.

**TABLE 1  
SPCFA Baseline Formula**

Number of Births	County	2011 Births	Baseline	Number of Births	County	2011 Births	Baseline
1-50	Alpine	6	\$275,000	351-400	Glenn	391	\$450,000
	Sierra	23		401-450	Tuolumne	430	\$475,000
51-99	Modoc	87	\$300,000	451-500	Siskiyou	472	\$500,000
100-150	Trinity	123	\$325,000	701-750	Lake	715	\$625,000
	Mariposa	132			Tehama	728	
151-200	Mono	156	\$350,000	751-800	Nevada	761	\$650,000
	Plumas	165			San Benito	772	
201-250	Inyo	213	\$375,000	<p><b>Note: The formula includes intervals from 501-700 births, at the same rate of increase, but were not included for ease of reading.</b></p>			
251-300	Amador	269	\$400,000				
	Lassen	300					
301-350	Colusa	302	\$425,000				
	Calaveras	326					
	Del Norte	337					

The Framework has been developed by the Workgroup and incorporated into the Local Area Agreement (LAA) to provide specific and measurable evidence of the local commissions' efforts to meet the requirements of Health and Safety Code (HSC) sections 130100 – 130155.

The LAA acknowledges the following general terms and conditions:

1. The funds received annually, both SPCFA and Proposition 10 tax revenue, by the Lead Agency for FYs 2014 -15 through 2016 -17, are displayed in Table 1: SPCFA Baseline Formula.
2. SPCFA dollars are to be used pursuant to all statutory requirements for the Lead Agency's expenditure of funds allocated to the county's local Children and Families Trust Fund and expended only for the purposes authorized by the California Children and Families Act of 1998, in accordance with the county's approved strategic plan, and as further specified in HSC section 130140.

3. Lead Agencies are expected to spend the majority of SPCFA dollars on direct services to children. At the discretion of First 5 California, funds can be withheld if unassigned fund balances reported in the Lead Agency's financial statements and First 5 California's Web-based Annual Reporting System exceed 100 percent of the estimated portion funded by First 5 California without proper justification.
4. The distribution of SPCFA dollars for future fiscal years will be contingent upon the Lead Agency's compliance with the LAA and all documents incorporated therein.
5. If adherence to the LAA and reporting requirements has been satisfied:
  - a. Seventy-five percent of First 5 California's estimated portion of SPCFA dollars will be disbursed to the Lead Agency upon execution of the LAA by both parties, but no earlier than July 1, 2014, and every subsequent July of the corresponding FY's.
  - b. The remaining twenty-five percent will be disbursed by August 31 of the following FY, once the annual total of Proposition 10 tax revenue to be allocated to each Lead Agency has been determined.
  - c. Alternate funding disbursement of up to ninety percent may be considered for Lead Agency's experiencing financial hardship.

This LAA acknowledges the following requirements outlined in the Framework:

1. The initial year of implementation, FY 2014 -15 will be used as a baseline to identify specific needs of the participating counties and develop continuous improvement plans if necessary, pursuant to the LAA.
2. All participating Lead Agencies shall clearly outline the use of SPCFA dollars, the specific programs to be funded wholly or partially by the SPCFA, and the outcomes expected as a result of such investments. Lead Agencies will be expected to provide the following upon execution of the LAA:
  - a. Detailed descriptions and benchmarks for the programs funded wholly or partially by the SPCFA (such as scopes of work, project descriptions, etc.)
  - b. A current strategic plan
  - c. The most recent evaluation report which includes progress towards meeting the specific outcomes of each funded program, if available
  - d. A long-range financial plan as described in the First 5 Financial Management Guide

3. The goal of the SPCFA is to support Lead Agencies and ensure programs funded by the SPCFA are incorporated into local strategic plans as described in HSC Section 130140 (a)(1)(C)(ii): the county strategic plan shall at a minimum, include a description of the programs, services, and projects proposed to be provided, sponsored, or facilitated, and a description of how measurable outcomes of such programs, services, and projects will be determined by the county commission using appropriate reliable indicators. In order to be deemed adequate or complete, county strategic plans will need to describe how programs, services, and projects relating to early childhood development with the county will be integrated into a consumer-oriented and easily accessible system.
4. SPCFA funds may be used to support administrative, program, and evaluation services.
5. The Lead Agency is required to fully or partially fund a minimum of one program with SPCFA funds.
6. Lead Agencies must meet the requirements specified in Core Areas A and B (Successful Local Systems and Measuring Outcomes and Progress) in the Framework and outlined below, and a minimum of one criterion in Core Area C (Promoting Early Learning and Healthy Development Outcomes for Children). The Core Areas are as follows:

**Core Areas A and B** - Counties must address all of the criteria under Core Areas A and B.

**A. Successful Local Systems:** All criteria under Core A are required.

1. Local Administration  
Counties can utilize up to 25 percent of the SPCFA dollars to support personnel and operating costs necessary to accomplish the work set forth in the LAA as reported in the administrative audit. Counties are required to demonstrate compliance with regulatory audit requirements through annual independent audits. Counties will use the First 5 Financial Management Guide to determine appropriate definition and allocation of costs.
2. Fiscal Systems Stability  
Counties will be expected to implement fiscal systems that ensure full compliance with First 5 reporting requirements articulated in the Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act. Counties will be expected to work to address any deficiencies by the State Controller's Office and/or any findings by independent auditors. First 5 California will work with the First 5 Association (Association) throughout the augmentation period to provide

training and technical assistance geared toward strengthening of internal systems.

3. Continuous Quality Improvement/Training and Technical Assistance  
First 5 California will work with the Association and the Workgroup to explore ways to provide new opportunities for technical assistance in each of the following three areas: fiscal, evaluation, and program. Training and technical assistance (T&TA) will be targeted for small county commissions using webinars, the small county summit, and other venues. Counties will be required to participate in some T&TA efforts, when applicable, both as T&TA providers whenever possible, and as participants when needs have been identified.
4. Local Service Systems Integration  
Counties will demonstrate work with community partners and available state and/or federal programs to integrate service systems, develop new partnerships, and other activities to build a stronger system of services and support for children prenatal through age five.

**B. Measuring Outcomes and Progress:** All criteria under Core B are required.

1. Evaluation  
Counties will provide annual evaluation reports for all programs funded by First 5 California, which may be a single evaluation report for all county commission activities. First 5 California and the Association will work together on the development of SPCFA program evaluation requirements, including a kit of effective evaluation tools and outcome reporting measures for funded programs, and will assist counties in adopting such tools to support data-driven decision making.
2. Strategic Plan  
Counties will be expected to provide evidence of a strategic plan, adopted within the past five years, that meets the requirement of the HSC Section 130140 (a)(1)(C)(ii). T&TA will be developed to support strategic planning efforts and operationalizing in counties, where needed.

**Focused Investment Area C** - A minimum of one criterion in Focused Investment Area C must be addressed.

Counties receiving the SPCFA will be required to use evidence-based, promising practices, or high-quality local models to ensure the highest likelihood of measurable improvement in key child and family indicators. Local models must meet benchmarks for program quality and an effective evaluation design. Result areas for key indicators include family functioning, child development, child health, and systems of care. Key indicators will be jointly developed by the

Workgroup and First 5 California, and align to the extent possible with other major federal and state programs and evaluations (e.g., California Home Visiting Program, *Help Me Grow* [HMG], and Race to the Top-Early Learning Challenge [RTT-ELC]).

First 5 California will work with the Association and the Workgroup to identify a list of program models that have proven successful and implementable in rural and small population settings. As much as possible, the strategies and funded programs will align with current state and federal initiatives. Potential models include HMG, Parents as Teachers, Raising a Reader, Nurturing Parenting, Center on the Social and Emotional Foundations for Early Learning (CSEFEL), Early Head Start, Healthy Families America, and Nurse-Family Partnership. For programs in the health area, the use of trained practitioners or paraprofessionals will suffice as evidence of quality design.

### **C. Promoting Early Learning and Healthy Development Outcomes for Children**

#### **1. Developmental and Health Needs**

Counties can focus on implementing programs or strategies to identify and address the behavioral, developmental, and health needs of children prenatal through age five to improve school readiness and to target more intensive strategies and supports to children with high needs (e.g., HMG, Health Care, Oral Health, Children's Health Initiative, and CSEFEL).

#### **2. Engaging and Supporting Families**

Counties can focus on engaging and supporting families through a variety of school readiness, parent engagement, and home visiting strategies (e.g., Strengthening Families, Parenting Education, Family Resource Centers, Home Visiting, and School Readiness Playgroups).

#### **3. High-Quality Early Learning/Early Educator Support and Effectiveness**

Counties can help drive local quality improvement efforts for early learning and development programs by supporting the implementation of the RTT-ELC Quality Continuum Framework within the core areas of Child Development and School Readiness, Teachers and Teaching, and Program and Environment.

Counties that choose to provide access and support for local early educators to meet the benchmarks outlined in the RTT-ELC Quality Continuum Framework will have the opportunity to participate in some of the training opportunities offered through other First 5 California programs including those through the Early Education Effectiveness Exchange (E4) and online trainings such as *Introduction to the Classroom Assessment Scoring System™ (CLASS™)*, *Looking at CLASSrooms™*, and *My Teaching Partner™ (MTP™)*.

During the initial year, FY 2014 -15, a Framework Implementation Plan (FIP) template will be developed in collaboration with First 5 California staff and each Lead Agency. Upon review and approval by First 5 California, the FIP will be incorporated into the LAA. The FIP will include, at a minimum, specific programs to be funded wholly or partially by SPCFA dollars, timeline for implementation and incorporation into the Strategic Plan, and the outcomes expected as a result of such investments, as well as serve as a baseline for areas identified as needing improvement.

Deliverables are as follows:

**LAA Certification Checklist** (Exhibit A) – Due with signed LAA, and updated July 31 of each FY

**Framework Implementation Plan** – Due no later than June 30, 2015

**Annual Performance Report** – Due by July 31 of each FY 2015, 2016, and 2017

**Annual Evaluation Report** – Due by October 31 of each FY

**Strategic Plan** – Due when updated (if applicable)

SPCFA Due Dates (Exhibit B) outlines all deliverables pursuant to the LAA, is attached.

### Terms

The term of the LAA and FIP shall be from July 1, 2014, through June 30, 2017. The not-to-exceed amount of this agreement is \$XXX,XXX annually, for a total of \$XXXX over three years. The amount of the LAA is consistent with the baseline formula approved by the State Commission on April 24, 2014.

Funding of the LAA is contingent upon the availability of funds pursuant to California HSC sections 130100 - 130155. The LAA may be immediately terminated upon written notice by First 5 California if sufficient funds are not available to fulfill its obligations under the LAA. Any provision of the LAA found to be in violation of federal and/or state statute or regulation shall be invalid, however, such a finding shall not affect the remaining provisions of the LAA.

Standard Provisions for Local Area Agreements (Exhibit C) is attached.

<b>In Witness Whereof, this agreement has been executed by the parties identified below:</b>			
<b>STATE OF CALIFORNIA</b>		<b>AWARDEE</b>	
AGENCY NAME First 5 California		LEAD AGENCY NAME First 5	
BY (Authorized Signature) <input type="checkbox"/>	DATE SIGNED	BY (Authorized Signature) <input type="checkbox"/>	DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING	PRINTED NAME AND TITLE OF PERSON SIGNING
Executive Director	Executive Director
ADDRESS 2389 Gateway Oaks Drive, Suite 260 Sacramento, CA 95833-4247	ADDRESS