

Exhibit B**2013-14 CDC Public Health Emergency Preparedness (PHEP), State General Fund (GF)
Pandemic Influenza, HHS Hospital Preparedness Program (HPP) Funding
Budget Detail and Payment Provisions****1. Payment Provisions**

- A. CDPH will make payments to the LHD and/or Local HPP Entity as authorized in State statute and in accordance with the annual expenditure authority granted to CDPH in the California Budget Act. Payments shall be made in accordance with Exhibit B, Attachment 1. Payment beyond the first quarter shall be contingent upon the approval of the LHD's and/or Local HPP Entity's funding Application, Work Plan and Budget and satisfactory progress in implementing the provisions of the Work Plan, as determined by CDPH. Final payment is contingent upon receiving acceptable progress and expenditure reports submitted in accordance with timelines, formats and specifications to be provided by CDPH. **Note:** Both HPP and the State GF Pandemic Influenza require submission of invoice forms to be reimbursed.
- B. Reconciliation with the payments shall be through a semi-annual expenditure report and an annual reconciliation report. These reports shall be submitted in accordance with timelines, formats and specifications to be provided by CDPH. Expenditure reports and annual reconciliation report should be sent to:
- California Department of Public Health
Emergency Preparedness Office
Attn: Local Management Unit
MS 7002
P.O. Box 997377
Sacramento, CA 95899-7377
- C. The LHD and/or Local HPP Entity shall deposit advance federal fund payments received from CDPH into separate Trust Funds (hereafter called Federal Fund), established solely for the purposes of implementing the activities described in the LHD's and/or Local HPP Entity's approved Work Plan and Budget and Agreement before transferring or expending the funds for any of the uses allowed. CDPH requires that the LHD and/or Local HPP Entity set up separate Federal Funds for PHEP CDC and HPP funds.
- D. The LHD and/or Local HPP Entity agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the LHD and/or Local HPP Entity under this Agreement shall be deposited into the Federal Fund established solely for the purposes of implementing the activities described in the LHD's and/or Local HPP Entity's approved Work Plan and Budget and Agreement before transferring or expending the funds for any of the uses allowed.

- E. The interest earned on moneys in the Federal Fund shall accrue to the benefit of the Federal Fund and shall be expended for the same purposes as other moneys in the Federal Fund.
- F. Any refunds, rebates, credits, or other amounts in the Federal Fund shall accrue to the benefit of the Federal Fund and shall be expended for the same purposes as other moneys in the Federal Fund.
- G. Federal Fund reports will require the LHD and/or Local HPP Entity/City Auditor Controller's or other authorized signature, certifying each report's accuracy and availability of supporting documentation for the State's or the federal government's review.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act and/or other state statute of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, CDPH shall have no liability to pay any funds whatsoever to LHD and/or Local HPP Entity or to furnish any other considerations under this Agreement and LHD and/or Local HPP Entity shall not be obligated to perform any provisions of this Agreement except as to periods for which funding has been provided.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDPH shall have the option to either cancel this Agreement with no liability occurring to CDPH, or offer an Agreement amendment to LHD and/or Local HPP Entity to reflect the reduced amount.

3. Amounts Payable

- A. The amount payable under this Agreement shall not exceed:
 - 1. \$190,088, CDC PHEP Base Allocation.
 - 2. \$37,955, Cities Readiness Initiative Funds.
 - 3. \$184,023, HPP Allocation.
 - 4. \$66,137, State GF Pandemic Influenza Allocation.

4. Redirection of Funds

Redirection of funds beyond the 10% line item/budget category allowance require prior approval by CDPH.

5. Federal Cooperative Agreement Funds

- A. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- B. The Agreement is valid and enforceable only if sufficient funds are made available to CDPH by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. It is mutually agreed that if Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

6. Accountability Requirements

- A. CDPH may recoup funds that are not spent for allowable purposes as specified in State statute and determined by CDPH. CDPH will notify the LHD and/or Local HPP Entity prior to recouping such funds.
- B. CDPH may withhold payments if the LHD and/or Local HPP Entity is not in compliance with the terms and conditions of this Agreement or the approved local funding Application, Work Plans and Budgets CDPH may withhold payments if the LHD cannot demonstrate progress toward protecting the jurisdiction from the threat of a bioterrorist attack, infectious disease outbreak or other public health threat or emergency as described in its progress and expenditure reports. CDPH may withhold or reduce payments if the LHD's and/or Local HPP Entity's expenditure reports indicate that quarterly payments remain unspent. CDPH will notify local health officials prior to withholding or reducing such payments.
- C. The LHD and/or Local HPP Entity shall return unexpended funds unless carry over or extension of such funds is approved by CDPH in accordance with federal requirements.
- D. The LHD and/or Local HPP Entity shall maintain the supporting documentation that substantiates all expenditure reports for a minimum of seven years.

7. Unobligated Balances

At any time during the term of this Agreement, CDPH may request LHDs and/or Local HPP Entity's to identify unspent funds both obligated and unobligated funds. The presentation of this information shall be in a manner prescribed by CDPH to include identification of all unspent funds.

8. Terms of Allocation Agreement

- A. **CDC PHEP:** This Agreement provides the local funding award for the CDC PHEP federal cooperative Agreement Budget period July 1, 2013 through June 30, 2014. All services must be rendered by and purchases encumbered by June 30, 2014, unless grant is extended or funds are carried over according to provisions in State and federal law. Funds allocated under this Allocation Agreement must be liquidated by July 31, 2014 with unspent funds carried forward into the next budget period; allowable carryover of PHEP funds will be dependent on federal provisions.
- B. **State GF Pandemic Influenza:** This Agreement provides the local funding award for the State GF Pandemic Influenza cooperative Agreement Budget period July 1, 2013 through June 30, 2014. All services must be rendered by and purchases encumbered by June 30, 2014. Funds allocated under this Agreement must be liquidated by June 30, 2015. In order for CDPH to liquidate funds by June 30, 2015, a final invoice must be received by CDPH on or before March 1, 2015. This provides LHDs with an additional year to liquidate funds for services rendered by June 30, 2014.
- C. **HPP:** This Agreement provides the local funding award for the HPP federal cooperative Agreement Budget period July 1, 2013 through June 30, 2014. **All services must be rendered by and purchases encumbered by June 30, 2014**, unless grant is extended. Funds allocated under this Agreement must be liquidated by July 31, 2014 with unspent funds carried forward into the next budget period; carryover of HPP funds is limited to 15% of the annual allocation.