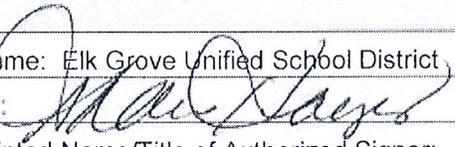


Sacramento Employment and Training Agency MODIFICATION TO EXTEND SERVICE PROVIDER SUBGRANT under the Workforce Innovation and Opportunity Act		SUBGRANT NUMBER	
		0883010S-16(E2)	
		MODIFICATION	
		YEAR 3/ONE	
1. SUBGRANTEE INFORMATION:		2. ACTIVITY/TARGET GROUP:	
Name: Elk Grove Unified School District		Out-of-School Youth	
3. EXTENSION AWARD AMOUNT:	\$273,360.00	4. CAT. NO./CFDA:	17.259
5. EXTENSION SUBGRANT TERM:	7/1/18 through 6/30/19	6. DUNS#:	013617204
7. EFFECTIVE DATE OF EXTENSION:	7/1/18		
8. MAXIMUM ANNUAL EXTENSIONS:	Three (3)		
9. TERMS AND CONDITIONS:			
<p>The parties agree to extend the Subgrant through this modification. This modification consists of this sheet and those of the following, attached hereto and by this reference made a part hereof:</p> <p style="padding-left: 40px;"> Exhibit 2 – Program Performance Overview, revised. Exhibit 3 – Budget and Cost Allocation Plan, revised. Exhibit 4 – Special Conditions, specifically Condition #5, added. Exhibit 10 – Nondiscrimination Addendum, revised. Exhibit 13 – Standard Conditions to Service Provider Subgrant Under the Workforce Innovation and Opportunity Act, revised. </p> <p>SUBGRANTEE shall thoroughly examine the Exhibits listed above and attached hereto. The failure of SUBGRANTEE to examine the above-listed Exhibits, or the terms, conditions and requirements set forth therein, shall in no way relieve SUBGRANTEE of its obligations with respect to this modification of the Subgrant, including compliance with the terms, conditions and requirements set forth in the above-listed. By executing this modification to the Agreement, SUBGRANTEE specifically agrees to abide by all of the terms, conditions and requirements set forth in the above-listed. All other terms and conditions set forth in the Subgrant shall remain in full force and effect. To the extent of any conflict between the language of this modification and the language of the Subgrant and/or any previous modifications, the language of the document bearing the most recent data shall prevail.</p>			
IN WITNESS WHEREOF, this modification to extend the Subgrant has been dated and executed by the parties hereto.			
SUBGRANTEE			
Name: Elk Grove Unified School District			
By: 		Date Signed: 8/13/18	
Printed Name/Title of Authorized Signer: Shannon Hayes, Chief Financial Officer			
Address: 8401-B Gerber Road, Sacramento, CA 95828-3711			
SACRAMENTO EMPLOYMENT AND TRAINING AGENCY			
By: 		Date Signed: 8/15/18	
Printed Name/Title of Authorized Signer: Kathy Kossick, Executive Director			
Address: 925 Del Paso Blvd., Suite 100, Sacramento, CA 95815			

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EXHIBIT 2

PROGRAM PERFORMANCE OVERVIEW

MODIFICATION: YEAR 3/ONE

YOUTH PROGRAM PERFORMANCE OVERVIEW

SUBGRANTEE: Elk Grove Unified School District							PERIOD: 7/1/2018 through 6/30/2019					
PROGRAM: In-School <input type="checkbox"/> Out-of-School <input checked="" type="checkbox"/>												
Enrollment Flow (Cumulative)												
Total Enrollments/Slots*	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Year 3	7	17	28	35	40	45	51	51	51	51	51	51

*All slots for youth exited from the program on or prior to **January 31, 2019** must be backfilled.

Subgrantee may be evaluated quarterly on the following real time data:

- Enrollments
- Exits
- Attainment of Diploma or Certificate
- Employment or Education Placement
- Literacy and Numeracy Gain (**Out-of-School Youth only**)
- Enrollment of High Risk/Special Populations
- Case Management
- Youth with Barriers Must Be Addressed at Time of Enrollment
- Enrollment in Secondary Education for Youth without High School Diploma
- Provide Required Services
- Must Meet 20% WEX Expenditure Requirement

Note: Deviation from plan is allowable up to a maximum -15%.

Subgrantee will be subject to the following WIOA Measures: **(Measures are subject to change.)**

Measures	Goals
Placement into Employment, Education or Training - 2 nd quarter after exit	59%
Placement into Employment, Education or Training - 4 th quarter after exit	55%
Credential Attainment - within 4 th quarter after exit	55%
Median Earnings – 2 nd quarter after exit	Baseline

EXHIBIT 3

PROGRAM BUDGET AND COST ALLOCATION PLAN

MODIFICATION: YEAR 3/ONE

**WORKFORCE INNOVATION AND OPPORTUNITY ACT
(WIOA)****TITLE I, YOUTH PROGRAMS****SUBGRANT BUDGET AND COST ALLOCATION PLAN**

Subgrant #: 088301OS-16(E2)

 Original or Mod # Year 3/ONE

Activity: Out-of-School Youth

Subgrantee Name: Elk Grove Unified School District

Street Address: 8401 B Gerber Road

City: Sacramento, CA Zip: 95828

Program Contact: Karen Malkiewicz

Phone: 916-793-2275

Fiscal Contact Person: Michelle King

Phone: 916-793-2277

E-Mail Address: msking@egusd.net

BUDGET PERIOD: 7/1/18 through 6/30/19

BUDGET SUMMARY - COST REIMBURSEMENT

TYPE OF COST	WIOA	Non-WIOA	TOTAL
A. Personnel	188,011		188,011
B1. Fixed Asset Purchases	0		0
B2. Other Equipment Costs	0		0
C. Other Costs	17,774		17,774
D1. Wages/Compensation/WEX	51,832	33,440	85,272
D2. Participant FICA	3,966	2,558	6,524
D3. Worker's Compensation	1,969	1,271	3,240
D4. OJT Employer Reimbursement	0		0
D5. Other Participant Costs	4,600		4,600
D6. Supportive Services	5,208		5,208
Total Cost	273,360	37,269	310,629

COST ALLOCATION PLAN

ACTUAL METHODS (Do not give dollar amounts), which will be used to charge/allocate a FAIR SHARE of ACTUAL costs to this budget ("Budget" column) and to cost categories (administration and program) within the budget ("Cost Category").

Cost Item	Use abbreviation at bottom of page	
	Budget	Cost Category
A. Personnel Costs	ST, DC	ST, DC
B. Equipment Costs	N/A	N/A
C. Other Costs	DC	DC
D. Direct Participant Costs	DC	DC

ABBREVIATIONS: (Some commonly used methods. If a method you use is not listed, add it to the list)

- DC Direct Charge:** Not a share cost. ACTUAL costs charged to a budget or cost category will be directly identified with the budget or cost category.
- SF Square Footage:** Shared Cost. ACTUAL costs will be allocated to a budget of cost category based upon the % of ACTUAL space used for the budget or cost category.
- ST Staff Time:** Shared Cost. ACTUAL costs will be allocated to a budget or cost category based upon the % of total ACTUAL staff time spent on the budget or cost category.
- SF/ST Square Footage Combined with Time of Staff Using Space:** Shared cost. ACTUAL costs will be allocated to a budget or cost category based upon the % of total ACTUAL space and the % of total ACTUAL staff time within the space used for the budget or cost category.
- #S Number Served:** Shared cost. ACTUAL costs will be allocated to a budget based upon the % of total ACTUAL participants served by the budget.
- U Usage:** Shared cost. ACTUAL costs will be allocated to a budget or cost category based upon the % of total ACTUAL usage for the budget or cost category. The backup documentation for ACTUAL usage will be:

B. Equipment Costs				Costs For This Program			
1. Purchases of Fixed Assets*		Full Purchase Price	% WIOA (ex: .25 = 25%)		WIOA	Non-WIOA	Total
Total Purchases of Fixed Assets							
2. Other Equipment Costs		Full Purchase Price X # of items X % WIOA (Ex. 1,000 x 1 x .25) Or Full Cost/Month X # of Months X % WIOA (Ex. 1,000 x 12 x .25)			WIOA	Non-WIOA	Total
Select One P = Purchase L = Lease R = Rent D = Depreciation	Equipment Description						
Total Other Equipment Costs					0		

* Fixed Assets: Equipment (non-expendable personal property) with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year.

C. Other Costs Direct Cost	Full Cost Information			Costs For This Program		
	Monthly Cost	# of Months	% WIOA (ex: .25 = 25%)	WIOA	Non-WIOA	Total
Facility: Address: Non-Owned: <input type="checkbox"/> Rent <input type="checkbox"/> Lease Owned: <input type="checkbox"/> Depreciation						
Utilities						
Telephone						
Office Supplies	51	3	100%	153		153
Duplication/Printing	50	4	100%	200		200
Other:						
Insurance: Fidelity/Depositors' Forgery						
Property						
General Liability						
Vehicle Liability						
Other:						
Travel: Local Mileage	50	4	100%	200		200
Other: Conference	1400	1	100%	1,400		1,400
Other:						
Subcontracts: Audit Services						
Other:						
Other:						
Other:						
Total Direct Costs				1,953		1,953
Indirect Costs* - Approved Rate: 6.27 X Costs: 252,331				15,821		15,821
*Attach copy of approval letter from cognizant agency				Total Costs	17,774	17,774

D. Direct Participant Costs				Costs For This Program		
Type/Cost Information				WIOA	Non-WIOA	Total
1. Wages/Compensation – <input type="checkbox"/> Work Experience						
31 (Slots)	\$11.00 (Hourly Wage)	152 (Avg. Hrs. of Training)		51,832		51,832
1a. In-kind Work Experience – <input type="checkbox"/> Work Experience						
20 (Slots)	\$11.00(Hourly Wage)	152 (Avg. Hrs. of Training)			33,440	33,440
2. Participant FICA (Employer's Contribution only)				3,966		3,966
2a. In-kind Participant FICA (Employer's Contribution only)					2,558	2,558
3. Worker's Compensation				1,969	1,271	3,240
4. OJT Employer Reimbursement						
(Slots)	\$ (Hourly Wage)	(Avg. Hrs. of Training)				
Total WEX/OJT Costs				57,767	37,269	95,036
5. Other Participant Costs						
Training Custodial 4 x \$900.00				3,600		3,600
Training Materials Books				1,000		1,000
Total Other Participant Costs				4,600		4,600
6. Supportive Services						
Clothing, Safety Equipment, Boots and Tools						
Child Care/Transportation				1,000		1,000
Youth Incentives				2,000		2,000
GED Fees				150		150
Other: Fingerprinting 42 x \$49.00				2,058		2,058
Total Supportive Services				5,208		5,208
Total Direct Participant Costs				67,575	37,269	104,844

EXHIBIT 4

SPECIAL CONDITIONS

MODIFICATION: YEAR 3/ONE

SPECIAL CONDITIONS

The Service Provider Subgrant under the WIOA between the Sacramento Employment and Training Agency and SUBGRANTEE is subject to the special condition(s) and timeframe(s) outlined below:

<u>Condition(s)</u>	<u>Timeframe(s)</u>
1. WIOA Youth funds allocated for youth program staff positions may be subject to redistribution or deobligation for positions vacant for more than 60 days during the Program Year (PY).	Entire Term of SUBGRANT
2. SUBGRANTEE shall ensure that WIOA funded staff are dedicated 100% to the WIOA Youth Program. WIOA Youth funded staff dedicated 100% to the WIOA program shall not provide classroom training or case management services to participants in enrolled in other programs.	Entire Term of SUBGRANT
3. SUBGRANTEE shall only provide youth program services to eligible participants residing within Sacramento County.	Entire Term of SUBGRANT
4. Twenty percent (20%) of WIOA Youth Budget and Cost Allocation Plan (Exhibit 3) must be allocated to Work Experience, including wages, FICA, and Worker's Compensation costs.	Entire Term of SUBGRANT
5. SUBGRANTEE shall maintain all insurance coverage and is expressly required by this Exhibit to immediately notify SETA if it receives a communication from its insurance carrier(s) or agent that any required insurance is to be cancelled, non-renewed, reduced in scope or limits or otherwise materially changed. SUBGRANTEE shall provide thirty (30) days written notice to SETA prior to such change. Ten (10) days prior written notice shall be provided to SETA in the event of cancellation due to non-payment of premium. Failure to maintain required insurance shall be considered a material breach of the SUBGRANT.	Entire Term of SUBGRANT

EXHIBIT 10

NONDISCRIMINATION ADDENDUM

MODIFICATION: YEAR 3/ONE

NONDISCRIMINATION ADDENDUM

1. During the performance of the SUBGRANT, SUBGRANTEE and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), medical condition, age, disability, marital status, denial of family care leave, or political affiliation or belief, or, against any beneficiary of, applicant to, or participant in programs financially assisted under Title I of the Workforce Innovation and Opportunity Act, on the basis of the individual's citizenship status or participation in any WIOA Title I-financially assisted program or activity. SUBGRANTEE and its subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
2. SUBGRANTEE and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12900 (a-f), set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into the SUBGRANT by reference and made a part thereof as if set forth in full.
3. SUBGRANTEE 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.
4. SUBGRANTEE shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the SUBGRANT.

EXHIBIT 13

**STANDARD CONDITIONS TO SERVICE PROVIDER
SUBGRANT UNDER THE WORKFORCE
INNOVATION AND OPPORTUNITY ACT**

MODIFICATION: YEAR 3/ONE

**STANDARD CONDITIONS
TO
SERVICE PROVIDER SUBGRANT**

1. Purpose of Standard Conditions

The Sacramento Employment and Training Agency (“SETA”) is a Grant Recipient and Administrator under the Workforce Innovation and Opportunity Act (“WIOA”), as enacted or as it may be amended. SUBGRANTEE is a SUBGRANTEE of SETA under WIOA and desires to operate a program under WIOA strictly in accordance with said statutes, all applicable federal, state and local laws and administrative regulations, applicable policies of SETA, and these STANDARD CONDITIONS TO SERVICE PROVIDER SUBGRANT (hereinafter the “SUBGRANT”). These STANDARD CONDITIONS set forth terms and conditions applicable to, and are incorporated by reference and made a part of, a SERVICE PROVIDER SUBGRANT (hereinafter the “SUBGRANT”) between SETA and SUBGRANTEE. SUBGRANTEE shall operate the activities in accordance with: the WIOA and the regulations promulgated thereunder; the Governor’s policies and procedures issued pursuant to the WIOA, and any amendments thereto, or any new legislation, regulation, policy and/or procedure which may replace the WIOA; all applicable federal, state and local laws and administrative regulations, and applicable SETA and state policies and procedures; and each of the following documents and Exhibits incorporated by reference and made a part of the SUBGRANT - *Response to Request for Proposals* prepared by SUBGRANTEE and separately submitted to SETA; Exhibit 1 - *Resolution Authorizing Execution of WIOA Service Provider Subgrant*; Exhibit 2 - *Program Performance Overview*; Exhibit 3 - *Program Budget and Cost Allocation Plan*; Exhibit 4 - *Special Conditions*, if any; Exhibit 5 - *WIOA Assurances and Certifications*; Exhibit 6 - *Fixed Assets, Information Technology and Low-Value Inventory Policies and Procedures*; Exhibit 7 - *Policy on Advances*; Exhibit 8 - *Intellectual Property Provisions*; Exhibit 9 - *Insurance Requirements*; Exhibit 10 - *Nondiscrimination Addendum*; Exhibit 11 - *WIOA Complaint/Grievance Procedures*; Exhibit 12 - *Policy on Confidentiality of Participant Records*; and Exhibit 13 - *Standard Conditions to Service Provider Subgrant*.

2. Evidence of Nonprofit Status

If SUBGRANTEE is not a public agency as defined by applicable law, SUBGRANTEE shall submit proof of continuing nonprofit status to SETA. Evidence of nonprofit status, in accordance with SETA's prequalification requirements, shall be on file with SETA prior to execution of the SUBGRANT. This evidence must include proof that the nonprofit corporation is run by a local board of directors. As used herein, “local board of directors” means that a majority of the members of the board of directors must reside in Sacramento County.

3. Term

The term of the SUBGRANT shall be as set forth on the front page of the SUBGRANT. SUBGRANT funds shall not, without advance written approval by SETA, be obligated before the beginning of the term or after the ending of the term.

4. Extension of Term

SETA may, at any time prior to termination of the SUBGRANT, in its sole discretion, extend the term of the SUBGRANT up to the maximum number of annual extensions set forth on the front page of the SUBGRANT by giving notice to SUBGRANTEE prior to July 1 in any given year. Any such extension shall be consistent with GRANT funding limitations, on the same terms and conditions, except that the amount of funding may be less than or greater than the amount identified in the SUBGRANT and may include, in the sole discretion of SETA, a cost-of-living adjustment (COLA) up to a maximum equal to the average All Cities CPI or no more than that proposed in SUBGRANTEE's proposal, whichever is lower. Any proposed COLA must, at a minimum, be justified by actual increases in operating costs and properly documented and negotiated with SETA's contracts accountant. Such justification does not, however, guarantee receipt of a COLA, which remains solely within the discretion of SETA. Should the amount of funding be different than identified in the SUBGRANT, program and budget modifications shall be made in proportion to this change. In addition, SETA may, in its sole discretion, provide for a unilateral modification which may provide for changes in SUBGRANTEE's performance in order to comply with applicable federal, state and/or SETA regulations, directives and policies.

5. Payment/Reporting/Fiscal Management

SETA shall reimburse SUBGRANTEE for allowable and authorized costs incurred in the performance of the SUBGRANT in accordance with the following:

(a) Total Reimbursement

Total reimbursement under the SUBGRANT shall not exceed the Award Amount set forth on the front page of the SUBGRANT.

(b) Reports

Reimbursement of costs incurred in the performance of the SUBGRANT shall be based on the timely filing of required reports by SUBGRANTEE. SUBGRANTEE shall be responsible for filing monthly reports with SETA no later than ten (10) calendar days after the end of each month during the term of the SUBGRANT. SETA may require SUBGRANTEE to submit other and additional reports or may require SUBGRANTEE to submit reports on a more frequent basis. These reports shall be submitted on forms provided by SETA or in the form required by SETA, and shall contain all data and information deemed necessary by SETA including, but not limited to, information or data concerning both quality and quantity of program performance setting forth the extent to which the program performance goals and standards have been met. Continued or repeated failure of SUBGRANTEE to submit timely and/or complete reports may, at the option of SETA, result in suspension and/or termination of the SUBGRANT.

(c) Final Report

All obligations incurred in the performance of the SUBGRANT must be reported to SETA within thirty (30) calendar days following the termination of the SUBGRANT to be binding upon SETA for reimbursement. Failure to timely report such obligations or debts shall be the liability solely of SUBGRANTEE.

(d) Authorized, Reimbursable and Allowable Costs

Authorized, reimbursable and allowable costs shall be determined by SETA in accordance with the Program Budget and Cost Allocation Plan approved by SETA, attached as Exhibit 3 to the SUBGRANT and incorporated therein by reference. Supplies, materials, equipment or services purchased with SUBGRANT funds shall be used solely for purposes allowed under the SUBGRANT. In order to be eligible for reimbursement under the SUBGRANT, performance and all expenditures must be consistent with said Program Budget and Cost Allocation Plan, the SUBGRANT, and all applicable laws and regulations, including SETA policies and procedures. Expenditures of SUBGRANTEE must be commensurate with the service provided and shall not exceed allowable budget amounts without a formally-approved budget modification. SETA reserves the right, in its sole discretion, to adjust SUBGRANTEE's claims if such claims are not commensurate with the services rendered. If SUBGRANTEE's claims exceed the level of cost per participant served, they may be subject to a reduction. Funding provided pursuant to the SUBGRANT will not be used by SUBGRANTEE to offset funding otherwise available from the State of California (hereinafter referred to as the "State") or SETA in SUBGRANTEE's operations of WIOA programs, nor shall such funds be used to duplicate facilities or services available in Sacramento County (with or without reimbursement) from federal, State or local sources without the express written approval of SETA.

(e) Procurement

SUBGRANTEE, in its procurement activities under the SUBGRANT, shall comply with all applicable federal and State procurement regulations, as well as other applicable federal, State and SETA guidelines, procedures and policies. SUBGRANTEE agrees to assume all responsibility for such SUBGRANTEE procurement activities and agrees to indemnify and hold SETA harmless from any audit exceptions relative to a violation by SUBGRANTEE of any procurement requirement.

(1) Contracts for Professional Services - Pursuant to the provisions of the federal Office of Management and Budget ("OMB") requirements contained in the OMB Super Circular (2 CFR Part 200) and any applicable implementing regulations or any subsequently-promulgated replacement OMB Circulars or regulations, whichever are applicable, costs of professional services rendered by members of a particular profession or persons who possess a special skill, who are not employees of SUBGRANTEE and who perform services on an

intermittent or occasional basis, are allowable when reasonable in relation to the services rendered.

- (2) Fixed Assets - Expenditures for fixed assets shall be approved by SETA prior to the purchase of such fixed assets by SUBGRANTEE. If fixed assets are approved in the annual budget, no further approvals are required. If fixed assets are not included in the approved annual budget, SUBGRANTEE shall obtain written approval of SETA prior to purchasing the fixed assets. If fixed assets are to be used for more than the WIOA program, the cost shall be allocated accordingly. For the purpose of the SUBGRANT, fixed assets shall be defined in accordance with SETA's Fixed Assets, Information Technology and Low-Value Inventory Policies and Procedures, attached as Exhibit 6 to the SUBGRANT and incorporated therein by reference.

(f) Separate Accounting/Advances

SUBGRANTEE shall keep a separate accounting for the funds provided under the SUBGRANT, and no part of any funds advanced shall be commingled with other funds of SUBGRANTEE. Advance payments shall be made in accordance with SETA's Policy on Advances, attached as Exhibit 7 to the SUBGRANT and incorporated therein by reference. All WIOA funds must be deposited in a bank account at a financial institution insured by the FDIC, and any balance exceeding the FDIC coverage must be collaterally secured. SETA shall have a lien upon all funds in said account which shall be paramount to all other liens, including, but not limited to, liens of other governmental agencies or by the direction of a trustee in bankruptcy.

(g) Minority Businesses

SUBGRANTEE acknowledges that, consistent with the national and state goal of expanding the opportunities for minority business enterprises, SUBGRANTEE and its subcontractors are encouraged to use minority-owned banks (banks which are owned at least fifty percent (50%) by minority group members). A list of minority-owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, D.C. 20230.

(h) Claim Funds

Approved claims shall be paid only from funds granted to SETA by the State of California, Employment Development Department (hereinafter referred to as the "EDD") pursuant to WIOA, and SUBGRANTEE hereby waives any claim it may have against any other funds of SETA. The SUBGRANT is valid and enforceable only if sufficient funds are made available to SETA by the EDD for the purpose of conducting the program identified in the SUBGRANT. Any expenditures or obligations by SUBGRANTEE made prior to the commencement date of the term of SETA's agreement with the EDD will not be accepted by SETA for reimbursement and SETA shall have no obligation to SUBGRANTEE

regarding these claims or any costs or debts incurred by SUBGRANTEE prior to such commencement date.

(i) Close-Out

SUBGRANTEE agrees to cooperate fully with SETA to ensure that the program authorized in the SUBGRANT is “closed-out” within thirty (30) calendar days of the termination of the SUBGRANT. Full cooperation shall require SUBGRANTEE to complete and to furnish to SETA a number of documents which SETA shall specify. All unexpended funds shall revert to SETA.

(j) Travel and Per Diem Costs

SUBGRANTEE shall not be reimbursed for any travel or per diem costs at rates that exceed those paid to SETA employees or to non-represented State employees (see Title 2 California Code of Regulations Section 599.619), whichever is lower. Out-of-state travel expenses are not reimbursable without prior authorization. Prior written authorization may be obtained by entering estimated out-of-state travel in the Program Budget and Cost Allocation Plan. Out-of-state travel expenses which are not specifically approved are not allowable.

6. Accounting, Records, Reports, Audit, Inspection

(a) Establishment and Maintenance of Records

(1) All records maintained by SUBGRANTEE shall meet the federal OMB requirements contained in the OMB Super Circular (2 CFR Part 200), any applicable federal regulations implementing the Super Circular and any subsequently-promulgated replacement circular.

(2) SUBGRANTEE shall establish such fiscal controls, recordkeeping and accounting procedures as required by WIOA and State and federal regulations and as may be deemed necessary by the Governor or SETA to ensure the proper disbursement of, and accounting for, funds paid to SUBGRANTEE pursuant to the SUBGRANT. SUBGRANTEE shall maintain an adequate system of accounting in accordance with all applicable regulations and in accordance with generally accepted principles and procedures of the accounting profession so that a clear audit trail can be established which proves that the expenditure of funds under the SUBGRANT is in accordance with the terms of the SUBGRANT, applicable federal and State regulations and circulars, and SETA policies and procedures. If SUBGRANTEE is a public body, funds shall be distributed through the chief fiscal officer who shall be familiar with the applicable regulations.

(3) SUBGRANTEE shall maintain a financial management system that provides for the following:

(i) Accurate, current and complete disclosure of the financial status of the SUBGRANT;

- (ii) Records that identify adequately the source and application of funds for State and federally-supported activities. These records shall contain information pertaining to State and federally-funded awards, authorizations, obligations, unobligated balances, assets, liabilities, income and expenditures;
 - (iii) Effective control over and accountability for all funds, property and other assets;
 - (iv) Procedures prohibiting volunteers from handling funds or fiscally significant documents received from or submitted to SETA;
 - (v) A comparison of actual expenditures with budgeted amounts and the relationship of specific performance and costs incurred;
 - (vi) Procedures for determining reasonableness, allowability and allocability of costs;
 - (vii) Accounting records that are supported by source documentation; and
 - (viii) A systematic method to assure timely and appropriate resolution of audit findings and recommendations.
- (4) SETA reserves the right to review services, service levels and billing procedures as these impact charges against the SUBGRANT.
- (5) Upon request from SETA, SUBGRANTEE shall submit a certificate prepared by an independent accountant stating that SUBGRANTEE's accounting system and internal controls are adequate to record and safeguard the assets entrusted to SUBGRANTEE.
- (b) Income Generation
SUBGRANTEE shall timely report to SETA the source and amount of any income generated as a result of services, activities and/or disposition of equipment funded under the SUBGRANT and shall abide by SETA directives regarding the use of such income. SUBGRANTEE shall not expend SUBGRANT-related income unless or until authorized, in writing, by SETA.
- (c) Coordination of WIOA Training Funds
WIOA funding for training is limited to participants who are unable to obtain grant assistance from other sources to pay the costs of their training, or require additional assistance to pay for such training. SUBGRANTEE shall coordinate training funds available and make funding arrangements with America's Job Center of California partners and other entities to apply these provisions. SUBGRANTEE shall consider the availability of Pell Grants and other sources of grants to pay for training costs, so that WIOA funds supplement other sources of training grants. Other government Education Assistance Programs include, but are not limited to, the Pell Grant program, the Supplemental Education Opportunity Grant program, the Work-study program, and federal loan programs such as federal Perkins Loans, federal Stafford Loans and federal Direct Stafford Loans, Cal Grant C and California Guaranteed Student Loans. Receipt of

Education Assistance Program funds shall be recorded in the Individual Employment Plan of each participant, which shall identify the participant's training-related financial assistance needs and the mix of WIOA and other education assistance program funds, including Pell Grant funds. SUBGRANTEE shall ensure, to the maximum extent practicable, that available federal, state, and local resources are coordinated sufficiently to meet the training and education-related costs of services, so that the participant can afford to complete the agreed-upon program successfully.

(d) Additional Funding

SUBGRANTEE shall notify SETA, in writing, within ten (10) calendar days of receipt of any additional funding that materially affects the cost and/or quality of the program. Upon receipt of such written notification, SETA, in its sole discretion, may reduce payment to SUBGRANTEE hereunder upon redetermination of the appropriateness of the reimbursement of costs under the SUBGRANT.

(e) Reports

SUBGRANTEE shall maintain such program and fiscal records and shall make such program and fiscal reports as may be required by SETA. SUBGRANTEE shall comply with procedures established by SETA regarding timely completion and submission of required reports.

(f) Preparation of Records and Examination of Records and Facilities

SUBGRANTEE shall prepare and maintain records as required by SETA which relate to SUBGRANTEE'S performance under the SUBGRANT, specifically including, but not limited to, records pertaining to program activities, service delivery and fiscal and administrative controls. At any reasonable time or during normal business hours, SETA, the U.S. Department of Labor (hereinafter referred to as the "DOL"), the EDD, the Office of Inspector General (hereinafter the "OIG") and the Comptroller General, or their duly authorized representatives shall have the right of access to any books, documents, papers, computer records or other records of SUBGRANTEE and all subcontractors that are pertinent to the SUBGRANT, in order to conduct audits and examinations, and to make excerpts, transcripts, and photocopies of such documents on or off the premises of SUBGRANTEE. This right also includes timely and reasonable access to SUBGRANTEE and all subcontractor personnel for the purposes of interview and discussion related to such documents. This right of access shall continue as long as the records are retained but, in no event, be less than the required retention period set forth in Paragraph 6(h), below. SETA shall have the further right to observe, monitor, evaluate and examine SUBGRANTEE's program operation and its offices and facilities utilized in the performance of the SUBGRANT.

(g) Participant Files

SUBGRANTEE shall ensure that SUBGRANTEE and all subcontractors will maintain individual participant case files and make these files available to and open for inspection by appropriate SETA, EDD and federal DOL representatives.

(h) Preservation of Records

SUBGRANTEE shall preserve and make available all of its records related to the SUBGRANT and any extension or renewal thereof, including, but not limited to, all financial, statistical, property and participant records and supporting documentation until the expiration of such period of time as required by applicable law or notification from SETA, but in no event less than the expiration of four (4) years from the later of:

- (1) The date of final payment to SUBGRANTEE under the SUBGRANT and any extension or renewal thereof and all other pending matters are closed;
- (2) The end of the fiscal year during which the SUBGRANT or any extension or renewal thereof is terminated; or
- (3) The completion and finalization of all pending federal, State and SETA audits for the fiscal year during which the SUBGRANT is terminated.

If, at the end of four (4) years, there is ongoing litigation or any claim or audit remains unresolved, SUBGRANTEE shall retain the records until final resolution of such litigation, claim or audit. If the SUBGRANT is terminated or if SUBGRANTEE is not refunded in subsequent years, this record retention requirement remains applicable. At SETA's sole option, some or all of the records may be ordered transferred to SETA. To the extent that such records are transferred to SETA, this retention requirement is not applicable to SUBGRANTEE. In the event the records pertaining to the SUBGRANT are maintained outside Sacramento County, California, SUBGRANTEE shall, at its sole cost, make said records available at SETA's principal place of business within five (5) working days after receipt of written notice from SETA.

(i) Documentation of Costs

All costs shall be supported by properly propagated and executed payrolls, time records, invoices, contracts, vouchers or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payroll and accounting documents, pertaining in whole or in part to the SUBGRANT, shall be clearly identified and readily accessible.

(j) Support of Salaries and Wages

Charges to the program for salaries and wages of SUBGRANTEE's employees shall be based upon documented payrolls approved by a responsible official of SUBGRANTEE. The distribution of salaries and wages must be supported by personnel activity reports as specified herein. Reports reflecting the distribution of activity of each employee must be maintained for all staff members, professional and nonprofessional, whose compensation is charged, in whole or in

part, directly to the SUBGRANT. Reports maintained by SUBGRANTEE to satisfy these requirements shall meet the following standards:

- (1) The reports shall reflect an after-the-fact determination of the actual activity of each employee. Budget estimates do not qualify as support for charges to the program.
- (2) Each report shall account for the total activity for which employees are compensated and which is required in fulfillment of their obligations to SUBGRANTEE.
- (3) The reports shall be signed by the individual employee and the responsible supervisor having first-hand knowledge of the activities performed by the employee, and shall state that the distribution of activity represents a reasonable portrayal of the actual work performed by the employee during the periods covered by the reports.
- (4) The reports shall be prepared at least monthly and shall coincide with the appropriate reporting period.
- (5) Charges for the salaries and wages of nonprofessional employees, in addition to the supporting documentation described above, shall also be supported by records indicating the total number of hours worked each day, maintained in accordance with DOL regulations implementing the Fair Labor Standards Act. For the purpose of the SUBGRANT, the term "nonprofessional" employee shall have the same meaning as "nonexempt" employee under the Fair Labor Standards Act.
- (6) Salaries and wages shall be paid in accordance with the Program Budget and Cost Allocation Plan, attached to the SUBGRANT as Exhibit 3 and incorporated therein by reference.

(k) Disallowed Costs

SUBGRANTEE will be liable for and will repay to SETA any amounts expended under the SUBGRANT found not to be in accordance with the WIOA and the provisions of the SUBGRANT including, but not limited to, disallowed costs. Such repayment will be from funds (non-federal) other than those received under the WIOA.

(l) Audit and Monitoring

SUBGRANTEE shall comply with the audit requirements set forth in the Super Circular (2 CFR Part 200) and any applicable federal implementing regulations. SUBGRANTEE is responsible for procurement of an annual audit of funds provided by SETA under the SUBGRANT as specified in the Super Circular or any subsequently-promulgated replacement circular. All agreements entered into by SUBGRANTEE with audit firms for purposes of conducting independent audits under the SUBGRANT shall contain a clause permitting SETA, the federal government and the State of California, or their designees, access to the working papers of said audit firm(s). The cost of the final audit may be paid from a portion of the funds provided by the SUBGRANT if such payment is authorized

by the Super Circular or any subsequently-promulgated replacement circular. Said audit shall be conducted in accordance with generally accepted accounting principles and auditing standards. Audited financial statements shall be prepared in accordance with generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants (“AICPA”) and any other applicable state and federal guidelines. In addition, the audit shall break out and report contracts by both contract and grant year, rather than just by contract, in the Schedule of Expenditures of Federal Awards. The report shall show receipt and expenditure of the funds provided under the SUBGRANT. SUBGRANTEE shall provide SETA one (1) copy of the audit report no later than one hundred eighty (180) calendar days after the end of SUBGRANTEE’s fiscal year. Said report shall be sent to:

Fiscal Department Chief
Sacramento Employment and Training Agency
925 Del Paso Blvd.
Sacramento, CA 95815-3512

Additionally, the State of California, the California Bureau of State Audits, the federal government and SETA, or their individual designees, shall have the right to monitor and audit SUBGRANTEE and all subcontractors providing services under the SUBGRANT through on-site inspections and audits and other applicable means as the State, the Bureau of State Audits, the federal government or SETA determine necessary. Said designee may be an independent auditor. Such monitoring and audits shall be conducted at the discretion of any one of the above-identified entities according to all applicable laws and regulations. SUBGRANTEE shall have the responsibility for receiving, replying to and/or complying with any audit exceptions by appropriate state and federal audit agencies directly related to provisions of the SUBGRANT. SUBGRANTEE shall be liable to SETA for the full amount of SETA’s liability to the State of California or to the federal government resulting from any audit exceptions relating to SUBGRANTEE’s performance under the SUBGRANT.

7. Special SUBGRANT Conditions

SETA shall have the right, in its sole and exclusive discretion, to impose, in accordance with applicable regulations, special conditions that correspond to the degree of risk assessed if SETA has determined that SUBGRANTEE:

- (a) Has a history of unsatisfactory performance;
- (b) Is not financially stable;
- (c) Has a management system which does not meet the management standards set forth in the SUBGRANT; or
- (d) Has not conformed to terms and conditions of a previously awarded subgrant.

Special funding restrictions shall be included in the SUBGRANT that correspond to the degree of risk assessed. Funding restrictions may include, but are not limited to:

- (i) Payment on a reimbursement basis;
- (ii) Withholding authority to proceed to next phase until receipt of evidence of acceptable performance within a given funding period;
- (iii) Requiring additional and/or more detailed financial or performance reports;
- (iv) Additional monitoring;
- (v) Requiring SUBGRANTEE to obtain specific technical or management assistance; and/or
- (vi) Establishing additional prior approvals.

If any such funding restrictions are imposed by SETA, SETA shall notify SUBGRANTEE, in writing, of:

- (i) The nature of the funding restrictions;
- (ii) The reason(s) the funding restrictions were imposed;
- (iii) The corrective actions which must be taken by SUBGRANTEE before the funding restrictions will be removed and the time allowed for completing the corrective actions; and
- (iv) The method of requesting reconsideration of the restrictions imposed.

Any notice of special conditions shall be substantially in the form attached as Exhibit 4 to the SUBGRANT and incorporated therein by reference.

8. Deobligation of Funds

Should SUBGRANTEE fail to timely meet the performance standards as set forth in the SUBGRANT (specifically including the *Response to Request for Proposals*, submitted separately by SUBGRANTEE to SETA and hereby incorporated into the SUBGRANT by reference) for the operation of the program identified in the SUBGRANT, SETA may, at any time and in its sole discretion, deobligate or otherwise reduce or withdraw funds allocated to SUBGRANTEE pursuant to the SUBGRANT or, in SETA's sole discretion, terminate the SUBGRANT. Should the EDD reduce funding to SETA, SETA may, notwithstanding any other provision of the SUBGRANT, at any time and in its sole discretion, deobligate or otherwise reduce or withdraw funds allocated to SUBGRANTEE pursuant to the SUBGRANT or, in SETA's sole discretion, terminate the SUBGRANT. In the event of deobligation, SETA may unilaterally amend the SUBGRANT identifying the deobligation. SETA shall have no liability to SUBGRANTEE based upon said deobligation or termination, specifically including, but not limited to, any liability for SUBGRANTEE's consequential damages.

9. Suspension or Disallowance of Payments/Suspension of Performance

SETA may at any time elect, in its sole discretion and without any liability to SUBGRANTEE, including, but not limited to, liability for consequential damages, and notwithstanding any other provision of the SUBGRANT, to suspend or disallow payment to SUBGRANTEE in whole or in part under the SUBGRANT, and/or to suspend performance under the SUBGRANT, in the event of any of the following occurrences:

- (a) If SUBGRANTEE fails to comply with all requirements of the certifications made

in the SUBGRANT or any of the exhibits thereto. In the event of suspension on this basis, SUBGRANTEE may be ineligible for award of future SETA subgrants/contracts if SETA or the EDD determines that any of the following has occurred: (1) false information is contained in any certification; or (2) SUBGRANTEE has violated any of the terms of the certification by failing to carry out any requirements contained therein;

- (b) If SUBGRANTEE shall have made any misrepresentation of any nature with respect to any information or data furnished to SETA in connection with the SUBGRANT;
- (c) If SUBGRANTEE submits to SETA any reports which are incorrect or incomplete in any material respect and/or which are not submitted according to deadlines;
- (d) If SUBGRANTEE shall fail to submit timely and/or complete claim forms;
- (e) If SUBGRANTEE incurs unreasonable administrative costs in the conduct of its activities and program;
- (f) If SUBGRANTEE maintains a pattern of discrimination;
- (g) If SUBGRANTEE is in default of any of the provisions of the SUBGRANT or violates any of the covenants, assurances, stipulations or conditions of the SUBGRANT;
- (h) If SUBGRANTEE shall fail, for any reason, to fulfill in a timely, proper and reasonable manner its obligations under the SUBGRANT;
- (i) If SUBGRANTEE dissolves, becomes insolvent, has an assignment for the benefit of creditors, commences a bankruptcy or insolvency proceeding or has a receiver appointed for its property;
- (j) If the EDD reduces funding to SETA below the amount in existence at the time the parties entered into the SUBGRANT;
- (k) If SUBGRANTEE utilizes funds provided under the SUBGRANT ineffectively or improperly;
- (l) If SUBGRANTEE fails to comply with applicable federal, state and local laws, administrative regulations, executive orders or Governor or SETA policies and procedures;
- (m) If the EDD suspends its obligations under the agreement between the EDD and SETA (should this occur and SETA is unable to give SUBGRANTEE five (5) calendar days' notice, SETA shall provide SUBGRANTEE reasonable notice under the prevailing circumstances); or
- (n) If SUBGRANTEE is unable or unwilling to comply with any additional conditions as may be lawfully applied by the DOL, the EDD, the Governor or SETA.

Any obligations incurred by SUBGRANTEE during the suspension period will not be allowed unless expressly authorized by SETA in the written notice of suspension or in a specific written authorization document.

10. Termination of SUBGRANT**(a) For Debarment**

If, at any time during the term of the SUBGRANT, SUBGRANTEE is included on any federal List of Parties Excluded from Federal Procurement and Non-procurement Programs and, therefore, is debarred from receiving federal funds, the SUBGRANT shall automatically terminate at the beginning of the next ensuing program year commencing on July 1 of the year of debarment. Since SUBGRANTEE will have previously been provided with an opportunity to appeal relative to the unpaid final debt from which debarment has emanated, SUBGRANTEE shall have no right to appeal its debarred status or the termination of the SUBGRANT resulting therefrom.

(b) For Cause

SETA may terminate the SUBGRANT in the following instances by giving written notice to SUBGRANTEE at least five (5) calendar days prior to the effective termination date stated in the notice:

- (1) If SUBGRANTEE fails to comply with all requirements of the certifications made in the SUBGRANT or any of the exhibits thereto. In the event of termination on this basis, SUBGRANTEE may be ineligible for award of future SETA subgrants/contracts if SETA or the EDD determines that any of the following has occurred: (A) false information is contained in any certification; or (B) SUBGRANTEE has violated any of the terms of the certification by failing to carry out any requirements contained therein;
- (2) If SUBGRANTEE shall have made any misrepresentation of any nature with respect to any information or data furnished to SETA in connection with the SUBGRANT;
- (3) If SUBGRANTEE submits to SETA any reports which are incorrect or incomplete in any material respect and/or which are not submitted according to deadlines;
- (4) If SUBGRANTEE shall fail to submit timely and/or complete claim forms;
- (5) If SUBGRANTEE incurs unreasonable administrative costs in the conduct of its activities and program;
- (6) If SUBGRANTEE maintains a pattern of discrimination;
- (7) If SUBGRANTEE is in default of any of the provisions of the SUBGRANT or violates any of the covenants, assurances, stipulations or conditions of the SUBGRANT;
- (8) If SUBGRANTEE shall fail, for any reason, to fulfill in a timely, proper and reasonable manner its obligations under the SUBGRANT;

- (9) If SUBGRANTEE dissolves, becomes insolvent, has an assignment for the benefit of creditors, commences a bankruptcy or insolvency proceeding, or has a receiver appointed for its property;
- (10) If the EDD reduces funding to SETA below the amount in existence at the time the parties entered into the SUBGRANT;
- (11) If SUBGRANTEE utilizes funds provided under the SUBGRANT ineffectively or improperly;
- (12) If SUBGRANTEE fails to comply with applicable federal, state and local laws, administrative regulations, executive orders or Governor or SETA policies and procedures;
- (13) If the EDD suspends or terminates its obligations under the agreement between the EDD and SETA (should this occur and SETA is unable to give SUBGRANTEE five (5) calendar days' notice, SETA shall provide SUBGRANTEE reasonable notice under the prevailing circumstances); or
- (14) If SUBGRANTEE is unable or unwilling to comply with any additional conditions as may be lawfully applied by the DOL, the EDD, the Governor or SETA.

(c) For Convenience

SETA may terminate the SUBGRANT for convenience at any time by giving written notice to SUBGRANTEE of such termination and specifying the effective date thereof, at least fifteen (15) calendar days before the effective date of such termination.

(d) Payment Upon Termination

If the SUBGRANT is terminated by SETA, as provided in this Paragraph 10, SUBGRANTEE, as its sole remedy, shall be paid for costs actually incurred to the date of termination, less the amount of any advance payment previously made and not accounted for. Upon termination of the SUBGRANT, SUBGRANTEE shall not incur any obligations after the effective date of such termination, unless expressly authorized by SETA, in writing, in the notice of termination. SETA shall not be liable for any claims of SUBGRANTEE for consequential damages. In the event of termination, all property and finished or unfinished documents, data, studies and reports purchased or prepared by SUBGRANTEE under the SUBGRANT shall, at the option of SETA, become the property of SETA or be otherwise disposed of as directed by SETA. Notwithstanding the above, SUBGRANTEE shall not be released of liability by SETA for damages sustained by SETA by virtue of any breach of the SUBGRANT by SUBGRANTEE, including SETA's liability for funds wrongfully used or misspent by SUBGRANTEE, disallowed costs, or audit exceptions under the SUBGRANT, and SETA may withhold any payment or reimbursement to SUBGRANTEE for purposes of setoff until such time as the exact amount of

damages due SETA from SUBGRANTEE is agreed upon or otherwise determined. Neither this paragraph, nor any other provision of the SUBGRANT, shall release SUBGRANTEE from its liability to SETA for wrongfully used or misspent funds or disallowed costs should the amount of those wrongfully used or misspent funds or disallowed costs exceed the amount of any payment or reimbursement due SUBGRANTEE.

11. Procedures for Corrective Action

- (a) Whenever SETA has reasonable cause to believe that SUBGRANTEE has failed to comply with any provision of the WIOA, State of California legislation implementing the WIOA, any provision of the SUBGRANT, SETA or Governor policies or procedures, and/or applicable federal, state and local laws, executive orders, or administrative regulations, then SETA may, in lieu of immediately giving notice of termination of the SUBGRANT pursuant to the provisions of Paragraph 10 above, order corrective action and disallow, suspend or delay any and all payments under Paragraph 9 above, and/or suspend performance under the SUBGRANT, until such failure is rectified.
- (b) If corrective action is ordered, SETA shall give SUBGRANTEE reasonable written notice (generally no more than thirty (30) calendar days) setting forth the nature of SUBGRANTEE's noncompliance and identifying a procedure whereby SUBGRANTEE and its officers or responsible representative may have an opportunity to meet with SETA for the purpose of considering the nature of corrective action.
- (c) An order for corrective action shall be in writing and shall set forth specific directions for corrective action, including a detailed timetable for implementing such directions and for reporting to SETA as to the implementation process.
- (d) SETA may suspend or disallow payments to SUBGRANTEE and/or suspend performance in accordance with Paragraph 9 above during said period of corrective action.
- (e) If SUBGRANTEE shall fail to implement an order for corrective action, or if it shall fail to do so within the timetable set for implementation, SETA shall recommend to SETA's Governing Board that the SUBGRANT be terminated in accordance with the provisions of Paragraph 10 above.
- (f) Notwithstanding the provisions of this Paragraph 11, SETA shall immediately suspend the payment of funds to SUBGRANTEE when SETA has reasonable cause to believe that SUBGRANTEE has misspent or claimed funds fraudulently and shall cause to be served upon SUBGRANTEE notice of termination pursuant to Paragraph 10 above.

12. Property

- (a) Any real and personal property acquired by SUBGRANTEE pursuant to the SUBGRANT shall be subject to all rules, procedures and restrictions as set forth in all applicable federal, State and local laws and administrative regulations, including SETA's policies and procedures, and any other applicable procedures

or regulations that may be established by the federal government, the State of California and/or SETA. Said property shall be used solely for purposes of fulfilling SUBGRANTEE's obligations under the SUBGRANT unless otherwise approved in writing by SETA. If real or personal property is used for other than the WIOA program, the cost shall be allocated accordingly. All property purchased must be in accordance with the provisions of the SUBGRANT, including the Program Budget and Cost Allocation Plan, attached thereto as Exhibit 3 and incorporated therein by reference. However, any other provision of the SUBGRANT notwithstanding, SUBGRANTEE shall not make any improvement to real property in the amount of One Thousand Dollars (\$1,000) or more or purchase any computer-related equipment without the advance written approval of SETA. Title to real and personal property purchased with funds provided under the SUBGRANT shall vest in SETA and shall, at SETA's request and discretion, be returned to SETA upon termination of the SUBGRANT. At the time of purchase of equipment under the terms hereto, SUBGRANTEE shall submit a list of such equipment in accordance with instructions from SETA.

- (b) Title to intangible personal property produced or acquired pursuant to the SUBGRANT, including patents and copyrights, shall vest and be held in accordance with applicable SETA, DOL and EDD requirements. SUBGRANTEE shall immediately report to SETA any discovery or invention that arises or is developed in the performance of or under the SUBGRANT.
- (c) SUBGRANTEE shall exercise due care in the use, maintenance, protection and preservation of SETA-owned property in SUBGRANTEE's possession or any other property purchased by SUBGRANTEE with funds provided under the SUBGRANT. Such care shall include insurance coverage against loss or damage to such property.

13. Intellectual Property Provisions

SUBGRANTEE acknowledges that its rights and the rights of SETA regarding intellectual property acquired or created with funds provided pursuant to the SUBGRANT are specifically limited by the Intellectual Property Provisions of SETA's State subgrant and, accordingly, SUBGRANTEE shall comply with the Intellectual Property Provisions attached to the SUBGRANT as Exhibit 8 and incorporated therein by reference.

14. License for Use

SETA, the federal government and the State of California shall have a royalty-free, nonexclusive and irrevocable license to publish, translate or use, now or hereafter, all material subject to copyright developed under the SUBGRANT including those covered by copyright. SETA reserves the right to use and reproduce all reports and data produced and delivered pursuant to the SUBGRANT and reserves the right to authorize others to use and reproduce such materials. Any other provision of the SUBGRANT notwithstanding, SUBGRANTEE shall grant to SETA, the federal government and the State a royalty-free, nonexclusive and irrevocable license throughout the world, for government purposes, to publish, translate, reproduce, deliver, perform, dispose of and

to authorize others to do so, all data now or hereafter covered by copyright; provided that, with respect to data not originated in the performance of the SUBGRANT, such license shall be only to the extent that SUBGRANTEE has the right to grant such license without becoming liable to pay compensation to others because of such grant. SUBGRANTEE shall exert all reasonable effort to advise SETA, at the time of delivery of data furnished under the SUBGRANT, of all invasions of the right to privacy contained therein and of all portions of such data copied from work not composed or produced in the performance of the SUBGRANT and not licensed under this paragraph. SUBGRANTEE shall not affix any restrictive markings upon any data, and if such markings are affixed, SETA shall have the right at any time to modify, remove, obliterate or ignore such markings. SUBGRANTEE shall report to SETA, promptly and in written detail, each notice of claim of copyright infringement received by SUBGRANTEE with respect to all data delivered under the SUBGRANT.

15. Right to Reuse

If, under the provisions of the SUBGRANT, SUBGRANTEE develops any systems analysis products, models, electronic data processing systems, software and related services, then the methods, materials, logic and systems developed pursuant to the SUBGRANT shall be the property of SETA, and may be used as SETA sees fit, including the right to reuse and publish the same without limitation.

16. Insurance

During the term of the SUBGRANT, SUBGRANTEE shall maintain insurance coverages in conformance with the Insurance Requirements of Exhibit 9, attached to the SUBGRANT and incorporated therein by reference.

17. Facilities

SUBGRANTEE shall operate the program(s) funded by the SUBGRANT in facilities that meet federal, State and local safety and health laws and regulations, including, but not limited to, federal and State occupational safety and health laws and regulations and the California Safe Drinking Water and Toxic Enforcement Act of 1986, and to maintain said facilities in accordance with these laws, regulations, and any subsequent amendments thereto.

18. Personnel

- (a) By signing the SUBGRANT, the SUBGRANTEE represents that it has, or will secure at its own expense, all personnel required to perform its obligations under the SUBGRANT. Such personnel shall not be employees of or have any contractual relationship with SETA, and SUBGRANTEE shall hold SETA harmless from any and all claims against SETA based upon the contention that an employer-employee relationship exists by reason of the SUBGRANT.
- (b) If the SUBGRANT includes services in excess of Two Hundred Thousand Dollars (\$200,000), SUBGRANTEE shall give priority consideration in filling vacancies in positions funded by the SUBGRANT to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contract Code Section 10353.

- (c) By signing the SUBGRANT, SUBGRANTEE certifies under penalty of perjury under the laws of the State of California that:
 - (i) No apparel, garments or corresponding accessories, equipment or supplies furnished pursuant to the SUBGRANT have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor; and
 - (ii) That SUBGRANTEE adheres to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov and Public Contract Code Section 6108.
- (d) All of the obligations and/or services to be performed by SUBGRANTEE pursuant to the SUBGRANT shall be performed by SUBGRANTEE or by employees of SUBGRANTEE under SUBGRANTEE's supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized under applicable law to perform such services.
- (e) SUBGRANTEE shall ensure that in the performance of its obligations under the SUBGRANT, no person having an interest that would conflict, or whose performance would conflict, with the effective and efficient performance of SUBGRANTEE's obligations, as determined by SETA, shall be employed, engaged or retained.
- (f) In the event that the DOL, the EDD, or SETA, in their sole discretion, either singularly or jointly, at any time during the term of the SUBGRANT, desires the removal of any person or persons assigned by SUBGRANTEE to perform services pursuant to the SUBGRANT, SUBGRANTEE shall remove any such person immediately upon receiving notice from the DOL, the EDD or SETA.
- (g) SUBGRANTEE shall not substitute for personnel set forth in its proposal or the SUBGRANT without the prior written consent of SETA.

19. Maintenance of Effort

By signing the SUBGRANT, SUBGRANTEE agrees and certifies that in the performance thereof:

- (a) No currently-employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of non-overtime work, wages or employment benefits).
- (b) SUBGRANTEE shall consult with the appropriate labor organizations and/or employer representatives in the design, operation or modification of the programs under the SUBGRANT. SUBGRANTEE's program shall not impair existing contracts for services or existing collective bargaining agreements, unless the employer and the labor organization concur in writing with respect to any elements of the proposed activities which affect such agreement, or either such party fails to respond to written notification requesting its concurrence within thirty

- (30) calendar days of receipt thereof.
- (c) No participant shall be employed or job opening filled (1) when any other individual is on layoff from the same or any substantially equivalent job, or (2) when the employer has terminated the employment of any regular employee without cause or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under the SUBGRANT.
- (d) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.

20. Debarment, Suspension, Termination and/or Revocation

- (a) By signing the SUBGRANT, SUBGRANTEE certifies under penalty of perjury under the laws of the State of California that SUBGRANTEE will comply with regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98.510, and any replacement regulations subsequently adopted, and that to the best of its knowledge that neither it nor any of its principals to be used in the performance of the SUBGRANT:
 - (1) Is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency;
 - (2) Has within a three (3) year period preceding the SUBGRANT been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
 - (3) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in subparagraph (a)(2) of this Paragraph 20; and
 - (4) Has within a three (3) year period preceding the SUBGRANT had one or more public (federal, state or local) transactions terminated for cause or default.
- (b) If unable to certify to the best of its knowledge the statements set forth above, SUBGRANTEE and/or any of its principals shall attach to the SUBGRANT an account of the circumstances and any explanations therefor.
- (c) SUBGRANTEE shall also require this certification from any subcontractors that perform services under the SUBGRANT.

21. Pro-Children Act of 1994

SUBGRANTEE shall comply with Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 and SUBGRANTEE shall not permit smoking in any portion of any indoor facility owned, leased or contracted by

SUBGRANTEE and used routinely or regularly for the provision of health, day care, education or library services to children under the age of 18, if the services are funded pursuant to the SUBGRANT.

22. Prior Findings

SUBGRANTEE, by signing the SUBGRANT, certifies under penalty of perjury, that it has not failed to satisfy any major condition in a current or previous contract or grant with the federal government, the State of California or SETA, and has not failed to satisfy conditions relating to the resolution of a final finding and determination, including repayment of debts.

23. National Labor Relations Board Certification

By signing the SUBGRANT, SUBGRANTEE certifies under penalty of perjury that no more than one final unappealable finding of contempt of court, by a federal court, has been issued against SUBGRANTEE within the immediately preceding two-year period because of SUBGRANTEE's failure to comply with an order of a federal court which orders SUBGRANTEE to comply with an order of the National Labor Relations Board.

24. Wages/Salary and Bonus Limitations

SUBGRANTEE agrees to comply with applicable regulations and standards of the federal and State governments and SETA's policies and determinations in establishing wages and prices. In compliance with Public Law 109-234, none of the funds appropriated in Public Law 109-149 or prior Acts under the heading "Employment and Training" that are available for expenditure on or after June 15, 2006, including any funds paid to SUBGRANTEE under the SUBGRANT, shall be used by SUBGRANTEE to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, except as provided for under section 101 of Public Law 109-149. See Training and Employment Guidance Letter 5-06 for further clarification. The incurrence of costs and receipt of reimbursement for such costs under the SUBGRANT shall constitute certification that SUBGRANTEE has read, and is in compliance with, this condition.

25. Nepotism

No member of the immediate family of any officer, director, executive or employee of SUBGRANTEE, SETA or the EDD shall receive favorable treatment for enrollment in services provided by, or employment with, SUBGRANTEE, nor shall any individual be placed in a WIOA employment activity funded under the SUBGRANT if a member of that individual's immediate family is directly supervised by or directly supervises that individual. In addition, neither SUBGRANTEE nor any of SUBGRANTEE's contractors shall hire, or cause or allow to be hired, a person into an administrative capacity, staff position or on-the-job training position funded under WIOA, if a member of that person's immediate family is employed in an administrative capacity for SETA, SUBGRANTEE or any employment contractor of SUBGRANTEE. However, where an applicable federal, State or local statute regarding nepotism exists which is

more restrictive than this provision, SUBGRANTEE and SUBGRANTEE's contractors shall follow the federal, State or local statute in lieu of this provision.

- (a) The term "member of the immediate family" includes: wife, husband, son, daughter, mother, father, brother, brother-in-law, sister, sister-in-law, son-in-law, daughter-in-law, father-in-law, mother-in-law, grandfather, grandmother, aunt, uncle, niece, nephew, step-parent and step-child.
- (b) The term "administrative capacity" refers to positions involving overall administrative responsibility for a program, including members of SETA's Governing Board and any of its affiliated Boards or Councils and members of the governing body or board of directors of SUBGRANTEE, or where that individual would be the supervisor of an individual paid with funds provided under the SUBGRANT or performing duties under the SUBGRANT.
- (c) The term "staff position" refers to all staff positions providing services under WIOA, such as instructors, counselors and other staff involved in administrative, training or service activities.

26. Standards of Conduct/Conflict of Interest

- (a) Every reasonable course of action shall be taken by SUBGRANTEE in order to maintain the integrity of the expenditure of public funds pursuant to the SUBGRANT and to avoid favoritism and questionable or improper conduct. The SUBGRANT shall be administered in an impartial manner, free from efforts to gain personal, financial or political gain. SUBGRANTEE shall conform to the nondiscrimination requirements as referenced in WIOA Section 188.
- (b) Neither an officer, director, executive or employee of SUBGRANTEE, nor an elected official in the area or a member of a Workforce Investment Board, shall solicit or accept money or any other consideration from a third person for the performance of an act reimbursed in whole or in part by SETA or SUBGRANTEE.
- (c) SUBGRANTEE shall avoid organizational conflict of interest, and its officers, directors, executives and employees shall avoid financial and personal conflict of interest, potential for conflict of interest and appearance of conflict of interest in the performance of the SUBGRANT, in awarding financial assistance and in the conduct of procurement activities involving WIOA funds.
- (d) SUBGRANTEE shall establish safeguards to prohibit employees or officers from using their positions for a purpose which could result in private gain, or gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business or other ties.
- (e) SUBGRANTEE shall abide by all applicable federal and State laws and regulations and SETA's policies regarding conflict of interest.

27. Employment of Former State Employees

SUBGRANTEE shall ensure that any of its employees who were formerly employed by the State of California in a position that could have enabled such individuals to impact policy regarding or implementation of programs covered by the

SUBGRANT will not be assigned to any part or phase of the activities conducted pursuant to the SUBGRANT for a period of not less than two (2) years following the termination of such employment.

28. Nondiscrimination/Equal Opportunity

In addition to the Nondiscrimination and Equal Opportunity assurances contained in the Assurances and Certifications attached as Exhibit 5 to the SUBGRANT and the Nondiscrimination Addendum attached as Exhibit 10 to the SUBGRANT (each incorporated therein by reference), the SUBGRANT and any subcontract thereunder is subject to, and by executing this SUBGRANT, SUBGRANTEE certifies that it will comply fully with the following laws: (a) the President's Executive Order 11246 entitled "Equal Employment Opportunity," and any subsequent amendments thereto specifically including the President's Executive Order 11375 and supplemented in 41 CFR, Part 60, as amended; (b) The Americans with Disabilities Act of 1990 (Public Law 101-336), and any subsequent amendments thereto; (c) Title VI and Title VII of the Civil Rights Act of 1964, and any subsequent amendments thereto; (d) Revised Order #4 of the Federal Register; (e) the California Fair Employment and Housing Act, and any subsequent amendments thereto; and (f) all requirements imposed by or pursuant to regulations of the DOL, the EDD and SETA. SUBGRANTEE shall ensure that any service, financial aid program or other benefit to be provided by SUBGRANTEE under the SUBGRANT or any activity supported by the SUBGRANT shall be furnished without discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, or political affiliation or belief, or, against any beneficiary of, applicant to, or participant in programs financially assisted under Title I of the Workforce Innovation and Opportunity Act, on the basis of the individual's citizenship status as a lawfully admitted immigrant authorized to work in the United States, or participation in any WIOA Title I-financially assisted program or activity. SUBGRANTEE shall not deny any individual an opportunity to participate in, or enjoy the services or benefits of, the SUBGRANT on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, or political affiliation or belief, or, against any beneficiary of, applicant to, or participant in programs financially assisted under Title I of the Workforce Innovation and Opportunity Act, on the basis of the individual's citizenship status as a lawfully admitted immigrant authorized to work in the United States, or participation in any WIOA Title I-financially assisted program or activity. SUBGRANTEE shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, or political affiliation or belief, or, against any beneficiary of, applicant to, or participant in programs financially assisted under Title I of the Workforce Innovation and

Opportunity Act, on the basis of the individual's citizenship status as a lawfully admitted immigrant authorized to work in the United States, or participation in any WIOA Title I-financially assisted program or activity. SUBGRANTEE shall also state in all solicitations or advertisements for employment placed by or on behalf of SUBGRANTEE, that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, or political affiliation or belief, or, against any beneficiary of, applicant to, or participant in programs financially assisted under Title I of the Workforce Innovation and Opportunity Act, on the basis of the individual's citizenship status as a lawfully admitted immigrant authorized to work in the United States, or participation in any WIOA Title I-financially assisted program or activity. SUBGRANTEE shall recognize the right of SETA, the United States Government and/or the State of California to seek judicial enforcement of the foregoing covenants against discrimination.

29. Section 504 of the Rehabilitation Act

SUBGRANTEE shall abide by the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise-qualified individual with a disability shall, by reason of his or her disability, be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

30. Complaints/Grievances

SUBGRANTEE shall provide a process for dealing with grievances and complaints from participants and other interested parties affected by SUBGRANTEE's programs funded pursuant to the SUBGRANT. This system shall be in accordance with the WIOA Complaint/Grievance Procedures issued by SETA, attached to the SUBGRANT as Exhibit 11 and incorporated therein by reference.

31. Coordination of Programs and Activities

SUBGRANTEE shall, to the maximum extent feasible, coordinate all programs and activities supported under the SUBGRANT with other programs under the WIOA, the Wagner-Peyser Act, Title 38 of the United States Code, and other employment and training programs at the state and local level.

32. Confidentiality

SUBGRANTEE shall abide by all applicable laws, regulations, Governor and SETA policies and procedures regarding the release of participant identities and information. A copy of SETA's Policy on Confidentiality of Participant Records is attached to the SUBGRANT as Exhibit 12 and incorporated therein by reference. The State of California provides to SETA information resources, including data (information) and application (program) files and databases. The State information is confidential when it defines an individual or an employing unit. Confidential information is not open to the public and requires special precautions to protect it from loss, unauthorized use, access, disclosure, modification and destruction. Sources of information include, but are

not limited to, the EDD, the California Department of Social Services, the California Department of Education, the County Welfare Department(s), the County IV-D Directors Office of Child Support, the Office of the District Attorney, the California Department of Mental Health, the California Office of Community Colleges, the Department of Alcohol and Drug Programs and individuals requesting program services. If SUBGRANTEE receives any confidential information, either directly or through SETA, pursuant to the SUBGRANT, SUBGRANTEE shall:

- (a) Keep all such information in the strictest confidence and make the information available to its own employees only on a “need-to-know” basis as specifically authorized by SETA.
- (b) Provide security sufficient to ensure protection of confidential information from improper use and disclosure, including sufficient administrative, physical and technical safeguards to protect this information from reasonable unanticipated threats to the security or confidentiality of the information.
- (c) Insure that information obtained under the SUBGRANT will not be reproduced, published, sold or released in original or in any other form for any purpose other than those specifically identified in the SUBGRANT.
 - (1) Aggregate Summaries: All reports and/or publications obtained under the SUBGRANT shall contain confidential data in aggregated or statistical summary form only. “Aggregated” refers to a data output that does not allow identification of an individual or employer unit.
 - (2) Publication: Prior to publication: SUBGRANTEE shall carefully analyze aggregated data outputs to ensure that the identity of individuals and/or employer units cannot be inferred pursuant to Unemployment Insurance Code Section 1094(c). Personal identifiers must be removed. Geographic identifiers should be specified only in large areas and as needed, and variables should be recorded in order to protect confidentiality.
 - (3) Minimum Data Cell Size: The minimum data cell size or derivation thereof shall be three (3) participants for any data table released to outside parties or to the public.
- (d) Insure that no disaggregate data, identifying individuals or employers, shall be released to outside parties or to the public.
- (e) Notify SETA as soon as practical, but in every case soon enough to permit SETA to notify EDD’s Information Security Office of any actual or attempted information security incidents, within twenty-four (24) hours of initial detection. Information Security Incidents include, but are not limited to, any event (intentional or unintentional) that causes the loss, damage, destruction or unauthorized access, use, modification, or disclosure of information assets. SUBGRANTEE shall cooperate with SETA and EDD in any investigations of security incidents. The system or device affected by an information security incident and containing confidential data obtained in the administration of the SUBGRANT shall be

immediately removed from operation upon confidential data exposure or a known security breach. It shall remain removed from operation until correction and mitigation measures are applied. If SUBGRANTEE learns of a breach in the security of the system which contains confidential data obtained under the SUBGRANT, then SUBGRANTEE must provide notification to individuals pursuant to Civil Code Section 1798.92.

- (f) Provide for the management and control of physical access to information assets (including personal computer systems, computer terminals, mobile computing devices, and various electronic storage media) used in performance of the SUBGRANT. This shall include, but is not limited to, security measures to physically protect data, systems, and workstations from unauthorized access and malicious activity, the prevention, detection, and suppression of fires, and the prevention, detection, and mitigation of water damage.
- (g) Insure that at no time will confidential data obtained pursuant to the SUBGRANT be placed on a mobile computing device, or on any form of removable electronic storage media of any kind unless the data are fully encrypted.
- (h) Instruct all employees with access to confidential information with written instructions fully disclosing and explaining the penalties for unauthorized use or disclosure of confidential information found in California Civil Code §1798.55, California Penal Code §502, California Unemployment Insurance Code §2111, Welfare and Institutions Code §10850 and other applicable local, state and federal laws.
- (i) Store and process information in electronic format in such a way that unauthorized persons cannot retrieve the information by means of computer, remote terminal or other means.
- (j) Return the confidential information promptly to SETA or the State, or destroy all copies or derivations of the information when its use ends, utilizing an approved method of confidential destruction: shredding, burning, or certified or witnessed destruction. Magnetic media are to be degaussed or returned to SETA or the State.
- (k) If SUBGRANTEE, with the prior written consent of SETA, enters into an agreement with a subcontractor to provide WIOA program services, SUBGRANTEE agrees to include these data security and confidentiality provisions in the agreement with the subcontractor. In no event shall such information be disclosed to any individual outside of that subcontractor's authorized staff, subcontractor(s), service providers or employees.
- (l) Designate a person responsible for the security and confidentiality of the data and immediately notify SETA, in writing, of any designee changes. SUBGRANTEE's data security and confidentiality designee shall be set forth in the *Resolution Authorizing Execution of WIOA Service Provider Subgrant* attached to the SUBGRANT as Exhibit 1.

33. Unauthorized Financial Benefit

Neither SUBGRANTEE, nor its officers, agents or employees shall submit or receive payment pursuant to any invoices, bills, statements, or reports for payment or for reimbursement for costs from SETA under the SUBGRANT if any officer, agent, or employee of SUBGRANTEE will derive any financial benefit other than as specifically permitted in the SUBGRANT.

34. Contingent Fee

SUBGRANTEE shall warrant that no person, selling agency or other organization has been employed or retained to solicit or secure the SUBGRANT upon an agreement or understanding for commission, percentage, brokerage or contingency fee. For breach or violation of this covenant, SETA shall have the right to terminate the SUBGRANT with liability in accordance with Paragraph 10 above and/or, at its sole discretion, to deduct from the SUBGRANTEE's payment or reimbursement, or otherwise recover, the full amount of such commission, percentage, brokerage or contingency fee.

35. Kickbacks

No officer, agent or employee of SUBGRANTEE shall solicit or accept any favor or any financial interest from any supplier or potential supplier of goods or services under the SUBGRANT including any extension thereof.

36. Fraud and Program Abuse

SUBGRANTEE shall establish and implement appropriate internal program management procedures to prevent fraud, abuse and criminal activity. SUBGRANTEE shall notify SETA within twenty-four (24) hours of any suspected or proven fraud, abuse or criminal acts involving WIOA funds or WIOA-funded activities.

37. Political Activity/Lobbying

SUBGRANTEE shall comply with all applicable federal and State laws and administrative regulations, as well as SETA's policies, regarding political activity and lobbying. In this regard, no funds provided under the SUBGRANT shall be used for publicity, lobbying or the solicitation of funds for any political activity or to further the election or defeat of any candidate for office or on behalf of or in opposition to proposed or pending federal, State or local legislation or administrative action. SUBGRANTEE shall further comply with the requirements of Section 319 of the Fiscal Year 1990 Appropriations Act (31 U.S.C. 1352), as amended, and corresponding U.S. Department of Labor ("DOL") regulations codified at 29 CFR, Part 93, which prohibits— the expenditure of funds provided under a federal contract, grant, loan or cooperative agreement for the purpose of influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding, extension, continuation, renewal, amendment or modification of any such contract, grant, loan or cooperative agreement. SUBGRANTEE shall annually execute and provide to SETA a Certification Regarding Lobbying and, if necessary, a Disclosure of Lobbying Activities on the forms provided by SETA.

38. Sectarian Activities

SUBGRANTEE, by signing the SUBGRANT, assures and certifies that:

- (a) SUBGRANTEE will use all funds under the SUBGRANT consistent with the Establishment Clause and the Free Exercise Clause of the First Amendment to the United States Constitution. SUBGRANTEE shall not expend any program funds for inherently religious activities, such as worship, religious instruction or proselytization. If SUBGRANTEE conducts such activities, it must offer them separately, in time or location, from the programs or services directly funded under the SUBGRANT, and participation must be voluntary for program beneficiaries.
- (b) SUBGRANTEE shall retain its independence from federal, State and local governments and may continue to carry out its mission, including the definition, practice and expression of its religious beliefs, provided that it does not expend any direct funding under the SUBGRANT to support any inherently religious activities, such as worship, religious instruction or proselytization. Among other things, SUBGRANTEE may use space in its facilities to provide services funded under the SUBGRANT without removing religious art, icons, scriptures or other symbols. In addition, SUBGRANTEE retains the authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis and include religious references in its organization's mission statements and other governing documents.
- (c) There will be no employment or training of participants in sectarian activities.
- (d) In providing services or benefits under the SUBGRANT, SUBGRANTEE shall not discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or a religious belief.

39. Delegation/Subcontract/Assignment/Security for Loan

- (a) No performance of any of SUBGRANTEE's obligations under the SUBGRANT may be transferred by subcontract, assignment, delegation or novation without the prior express written consent of SETA. Any attempt by SUBGRANTEE to assign, delegate, or subcontract any performance of its obligations thereunder without the prior express written consent of SETA shall be null and void and shall constitute a breach of the SUBGRANT. Whenever SUBGRANTEE is authorized to subcontract, delegate or assign, it shall include all the terms of the SUBGRANT in each subcontract, delegation, assignment or novation. Any subcontractor, delegate or assignee shall be subject to all applicable provisions of the SUBGRANT and all applicable federal, State and local laws and regulations. SUBGRANTEE shall be held fully responsible to SETA for the performance of any subcontractor, delegate or assignee and shall hold SETA harmless against any liability incurred by the subcontractor, delegate or assignee.
- (b) Without the prior express written consent of SETA, the SUBGRANT may not be used as security for a loan and is not assignable by SUBGRANTEE either in whole or in part for such purposes.

40. Independent Status

The SUBGRANT is by and between two independent parties and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership or joint venture, and SUBGRANTEE shall defend, indemnify and hold SETA harmless from any such claim.

41. Indemnification

- (a) The following provision applies only if SUBGRANTEE is a governmental entity:
Pursuant to the provisions of Section 895.4 of the California Government Code, each party agrees to indemnify and hold the other party harmless from all liability for damage to persons or property, arising out of or resulting from acts or omissions of the indemnifying party.
- (b) The following provision applies only if SUBGRANTEE is a non-governmental entity:
SUBGRANTEE shall, to the extent permitted by law, indemnify, defend and hold harmless SETA and its officers, directors, agents, employees and volunteers, from and against any losses accruing or resulting to any and all contractors, subcontractors, materials persons, laborers and any other persons, firms or corporations, furnishing or supplying work, services, material or supplies in connection with the performance of the SUBGRANT and from any suits, actions, claims, causes of action, cost demands, judgments, damages, costs and expenses of whatever nature, including court costs and reasonable attorney's fees, arising out of or resulting from SUBGRANTEE's performance under the SUBGRANT, including SUBGRANTEE's failure to comply with or carry out any of the provisions of the SUBGRANT and acts of negligence or omission of SUBGRANTEE or anyone employed directly, indirectly or by independent contract by SUBGRANTEE, including volunteers and program participants, regardless of whether caused in part by a party indemnified hereunder. Failure to comply with the provisions of this subsection (b) may result in suspension of payment under the SUBGRANT or termination of the SUBGRANT, or both, and SUBGRANTEE may be ineligible for award of future SETA subgrants/contracts if SETA determines that any of the following has occurred: (1) false information on any certifications; or (2) violation of the terms of any certification by failing to carry out the requirements thereof.

42. Laws

SUBGRANTEE shall comply with all applicable laws, ordinances, codes, administrative regulations, guidelines and policies of the United States, the State of California and local governments, specifically including, but not limited to, SETA's policies and procedures. If any such laws, ordinances, codes, administrative regulations, guidelines or policies are amended or revised, SUBGRANTEE shall comply with such amendments, revisions or modifications or shall notify SETA within thirty (30) calendar days after promulgation of the amendments, revisions or modifications that it cannot so conform so that SETA may take appropriate action, including termination of the SUBGRANT.

43. Clean Air and Clean Water

If the SUBGRANT is in excess of One Hundred Thousand Dollars (\$100,000), SUBGRANTEE shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S. Code 1857(h)), Section 508 of the Clean Water Act (33 U.S. Code 1368), Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR, Part 15). Under those laws and regulations, the SUBGRANTEE shall ensure that:

- (a) No facility to be utilized in the performance of the proposed grant has been listed on the EPA List of Violating Facilities;
- (b) SUBGRANTEE shall notify SETA, prior to award, of the receipt of any communication from the Director, Office of Federal Activities, U.S. EPA, indicating that a facility to be utilized for the grant is under consideration to be listed on the EPA List of Violating Facilities;
- (c) SUBGRANTEE shall notify SETA and the U.S. EPA about any known violation of the above laws and regulations; and
- (d) SUBGRANTEE shall include substantially this assurance, including this fourth part, in every nonexempt subgrant, contract or subcontract.

44. Press Releases and Communications

SUBGRANTEE shall not communicate with the press, television, radio or any other form of media regarding its duties or performance under the SUBGRANT without the prior express written consent of SETA. Unless otherwise directed by SETA, in all communications SUBGRANTEE shall make specific reference to SETA as the funding agency.

45. Immigration Reform and Control Act of 1986

By signing the SUBGRANT, SUBGRANTEE agrees and assures that it shall be in compliance with the Immigration Reform and Control Act of 1986, specifically including, but not by way of limitation, the antidiscrimination provisions of Section 102, as well as requirements disqualifying certain legalized aliens from receiving benefits under the SUBGRANT for five (5) years from the date they were granted temporary resident status, even if they have been provided status according to Section 245A (amnesty or legalization) and Section 210A (replenishment workers) of the Immigration and Nationality Act, as amended.

46. Drug-Free Workplace Certification

By signing the SUBGRANT, SUBGRANTEE certifies under penalty of perjury under the laws of the State of California that SUBGRANTEE will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq. and 29 CFR, Part 98) and will provide a drug-free workplace by taking the following actions:

- (a) Publishing a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8350(a).

- (b) Establishing a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:
 - (1) The dangers of drug abuse in the workplace;
 - (2) SUBGRANTEE's policy of maintaining a drug-free workplace;
 - (3) Any available counseling, rehabilitation and employee assistance programs; and
 - (4) Penalties that may be imposed upon employees for drug abuse violations.
- (c) Provide, as required by Government Code Section 8355(c), that every employee who performs services funded under the SUBGRANT:
 - (1) Will receive a copy of SUBGRANTEE's drug-free policy statement; and,
 - (2) Will agree to abide by the terms of SUBGRANTEE's statement as a condition of employment under the SUBGRANT.

47. Child Support Compliance Act

By signing the SUBGRANT, SUBGRANTEE certifies that in accordance with the Child Support Compliance Act, SUBGRANTEE shall recognize and acknowledge:

- (a) The importance of child and family support obligations and shall fully comply with 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) That, to the best of its knowledge, SUBGRANTEE is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Employee Registry maintained by the EDD.

48. Successors

At the sole discretion of any successor-in-interest of SETA, the SUBGRANT shall bind and inure to that successor-in-interest of SETA, in the same manner as if such party had been expressly named herein. The SUBGRANT shall only bind and inure to a successor-in-interest of SUBGRANTEE upon SETA's prior express written consent.

49. Conflicts

SUBGRANTEE will cooperate in the resolution of any conflict with the DOL, SETA or the EDD which may occur from the activities funded under the SUBGRANT.

50. Entire Agreement/Modifications

The SUBGRANT constitutes the entire agreement between the parties thereto for services being furnished pursuant to the SUBGRANT and no oral understanding not incorporated therein shall be binding on any of the parties thereto. Except as otherwise provided in the SUBGRANT, the SUBGRANT may be modified, altered or revised only on the written consent of both parties thereto. However, notwithstanding this, or any other, provision of the SUBGRANT, the SUBGRANT is subject to any additional restrictions, limitations, policies or conditions enacted by the federal or State government, any applicable local government or SETA or any law or regulation enacted by the federal or State government or any applicable local government which may affect

the provisions, terms or funding of the SUBGRANT, and SETA may unilaterally amend the SUBGRANT in such regard, including, but not limited to, the following circumstances:

- (a) There is an increase or decrease in federal or state funding levels.
- (b) A modification to the SUBGRANT is required in order to implement an adjustment to SETA's WIOA plan.
- (c) Funds awarded to SUBGRANTEE have not been expended in accordance with the SUBGRANT or SETA's WIOA plan. After consultation with SETA, SETA has determined that funds will not be spent in a timely manner, and such funds are for that reason to the extent permitted by and in a manner consistent with State and federal law and regulations, and/or State, federal, local and SETA's policies, reverting to the State or SETA.
- (d) There is a change in State and/or federal law or regulation requiring a change in the provisions of the SUBGRANT.

51. Severability of Provisions

If any provision of the SUBGRANT or these STANDARD CONDITIONS is held invalid, the remainder of the SUBGRANT or STANDARD CONDITIONS shall not be affected thereby, if such remainder would then continue to conform to terms and requirements of applicable law.

52. Titles

The titles to the paragraphs of these STANDARD CONDITIONS are solely for the convenience of the parties to the SUBGRANT and are not an aid in the interpretation of the STANDARD CONDITIONS.

53. Waiver

The waiver by SETA of any default, breach or condition precedent under the SUBGRANT shall not be construed as a waiver on the part of SETA of any other default, breach or condition precedent, or any other right thereunder.

54. Limitation of Actions

In the event either the DOL or the EDD disallows any costs incurred by SUBGRANTEE in the performance of the SUBGRANT, SETA may bring an action against SUBGRANTEE for the recovery of such disallowed costs at any time within five (5) years following final resolution of the DOL or the EDD audit wherein such costs were disallowed. Such disallowed costs shall be deemed to constitute a continuing breach of contract until such final resolution and each day thereof shall give rise to a cause of action.

55. California Law

Except where controlled by federal statutes or administrative regulations, the SUBGRANT shall be governed according to the laws of the State of California and SETA's policies and procedures.

56. Notices

All notices to be given to either of the parties under the SUBGRANT shall be given by deposit in the United States mail, first-class postage prepaid, addressed to the applicable party at the address set forth below the signature of each party to the SUBGRANT or by personal service. Notices given by mail shall be deemed served three (3) days after deposit in the United States mail, or when received, whichever is sooner.

57. Enforceable SUBGRANT

The SUBGRANT shall become a valid enforceable agreement only after it is signed by authorized agents of the parties thereto.

58. Time of the Essence

Time is of the essence in the performance of the SUBGRANT.

59. Statutes, Regulations, Policies and Procedures

SUBGRANTEE shall provide the services under the SUBGRANT strictly in accordance with:

- (a) The WIOA and the regulations promulgated thereunder, and any amendments thereto or new legislation, regulations, policies and/or procedures which may replace the WIOA; and
- (b) All applicable federal, State and local laws and administrative regulations and applicable SETA and State policies and procedures.

60. Counterpart, Facsimile and Electronic Signatures

The SUBGRANT may be signed in counterparts, such that signatures appear on separate signature pages. A copy or original of the SUBGRANT with all signatures and Exhibits appended together shall be deemed a fully executed SUBGRANT. Faxed signatures or signatures provided in electronic, portable document format (pdf) are binding and may be treated as original signatures for all purposes. All executed counterparts together shall constitute one and the same document, and any signature pages, including facsimile or electronic copies thereof, may be assembled to form a single original document.