

First 5 Commission of San Diego

Subject: **Supplantation of Funding**

Policy Number: F5C-009

Effective Date: December 17, 2024

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Purpose

To establish a policy for the First 5 Commission of San Diego (Commission) relating to supplanting and supplementing funds received by contractors, that ensures compliance with California Revenue and Tax Code section 30131.4.

Background

The Commission funds programs and services for children ages zero to five and their families to help ensure that every child in San Diego County will enter school physically, mentally, socially and developmentally ready to learn. The Commission's mandate is set forth in Health and Safety Code sections 130100 *et seq.*, San Diego County Administrative Code, Article III, sections 84.100 *et seq.*, and the Commission's Strategic Plan.

The Commission's funding decisions are subject to the California Revenue and Taxation Code section 30131.4 which provides that:

30131.4. All moneys raised pursuant to taxes imposed by Section 30131.2 shall be appropriated and expended only for the purposes expressed in the California Children and Families Act, and shall be used only to supplement existing levels of service and not to fund existing levels of service. No moneys in the California Children and Families Trust Fund shall be used to supplant state or local General Fund money for any purpose.

The prohibition on supplantation was intended to prevent state and local governments from shifting fiscal responsibility for ongoing public programs to the State and local commissions. The prohibition makes no reference to privately funded or federally funded programs.

Policy

- A. No Commission funds shall be used to supplant local general fund money for any purpose. The intent is that Commission funds will be used to supplement existing efforts, support innovation, identify best practices and promote systems change.
- B. No Commission funds shall be granted or used for any existing project or program funded by local general funds unless the proponent demonstrates to the Commission's satisfaction that the Commission's funds will be used solely to supplement an existing project or program, and not to supplant existing funding.

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- C. No Commission funds shall be granted or used for any existing project or program funded by State general funds unless the proponent demonstrates to the Commission's satisfaction that the Commission's funds will be used solely to supplement an existing project or program, and not to supplant existing funding. This prohibition shall not preclude the Commission from funding programs previously funded by the State, but for which State funding is no longer available.
- D. This prohibition on supplantation does not apply to privately funded or federally funded programs.
- E. In order to encourage State and local governments to fund valuable innovations and pursue evidence-based practices, this policy shall not apply to pilot programs or services. The intent of this policy is to ensure that the Commission's funding decisions comply with Section 30131.4 of the California Revenue and Tax Code.

Definitions

- A. *Existing service*: With respect to a level of service, a service that is funded and operating at the time when the Commission acts on the request for funding.
- B. *State general funds*: Funds that are received into the treasury of the State and not required by law to be credited to any other fund.¹
- C. *Local general funds*: Funds that are received into the treasury of the County of San Diego for the County of San Diego and not specially appropriated to any other fund.²
- D. *Level of service*: Includes both the quality and/or scope of services. The scope of a program may involve, but is not limited to, the number of individuals receiving services, geographic areas served, the income level eligible to participate, age levels served, etc.
- E. *Supplant*: To take the place of or to replace.
- F. *Supplement*: To add to or augment something that currently exists.
- G. *Pilot*: Programs or services that are implemented on a temporary and limited basis in order to test and evaluate the effectiveness of the program, develop new techniques, or gather information.

¹ See Gov. Code section 16300.

² See Gov. Code section 29301

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Procedure

- A. Funding proposals submitted to the Department of Purchasing and Contracting on behalf of the Commission shall include a full disclosure of any private or government funding for the project submittal, including current funding or any past funding received within the past three years. Commission staff, with support from DPC, will review the funding history to examine relevant patterns and trends.

- B. Any applicant who has received funding for the proposed program or service within the last three years must provide assurance that the Commission's funds will be used solely to augment or improve the existing level of service in quality, in scope, or in quality and scope. The applicant must demonstrate to the Commission's satisfaction:
 - 1) That the program or service is a pilot project, or
 - 2) That the program or service is not currently receiving or has not received during the 12 months preceding the Commission's action, State or local general funds for the proposed program or service, or
 - 3) If local general funds were received for all or a portion of the proposed program or service for which Commission funds are being considered during the preceding 12 months, that the local general funds have not been reduced or eliminated during the 12 months preceding the Commission's action, or
 - 4) If State general funds were received for the portion of the proposed program or service for which Commission funds are being considered during the preceding 12 months, that these funds will not be reduced or eliminated because of the local Commission allocation of funds to the program.

C.

Sunset Review: December 2027

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