



California  
Department of  
Health Services

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February 9, 2007

TO: PROJECT COORDINATORS  
*CALIFORNIA NUTRITION NETWORK FOR HEALTHY, ACTIVE  
FAMILIES (NETWORK)*

SUBJECT: PROGRAM LETTER #07-01  
SMART GROWTH POLICY, FEDERAL FISCAL YEAR (FFY) 2008

This letter is to notify you that the Cancer Prevention and Nutrition Section (CPNS) of the California Department of Health Services has extended the implementation of its Smart Growth Policy which was previously communicated to all *Network* contractors in FFY 05. For the upcoming FFY 08, the United States Department of Agriculture (USDA) and the California Department of Social Services (CDSS) have imposed a strict “No Budget Increase” requirement to the FFY 08 Food Stamp Nutrition Education budget. This means that CPNS and its partners will have to work together to stay within the current budget amount.

Accordingly, CPNS shall implement the following Smart Growth Policy:

- CPNS will reduce its internal budget to accommodate some limited growth for continuing and renewing Local Incentive Awards (LIAs).
- Continuing LIAs with two- and three-year contracts will not be allowed to amend their contracts to increase their budgets. No continuing contractor will receive more than a five percent budget increase to their existing FFY 07 budget. LIAs that had budgeted for an increase above five percent will have their FFY 08 budget reduced to the five percent level.
- Renewing LIAs will be allowed a limited fiscal augmentation of up to five percent of their current FFY 07 budget in FFY 08. For LIAs negotiating multi-year contracts, the FFY 08 budget amount will remain the same for FFY 09 and FFY 10 because we expect that the USDA and CDSS no growth requirement will be imposed in FFY 09 and FFY 10.

- During FFY 08, CPNS staff will develop procedures and implement a process to identify contractors that show a pattern of not meeting their contract requirements and contractors that have a history of inaccurately forecasting their budgetary needs for completing their scope of work.
- Non-compliant/underperforming contractors and contractors that inaccurately forecast their budgets may have their budget reduced in FFY 09 to allow growth for contractors that have a record of good performance and have accurately forecast their budgets.
- No new LIA contracts for FFY 2008. See exceptions below.
- No new Non-Profit Incentive Award contracts, with the exception of Food Stamp Outreach contracts or new outreach partners.
- No new Special Projects, with the exception of a Request for Applications to replace contractors reaching their term limit.

Exceptions may be made by CPNS (e.g., new requests from USDA, the Governor's Office, or the Legislature) to allow for essential administrative accommodations to include new personnel, administrative flexibility, and similar workload relief in order to maintain the focus on achieving the system improvements needed by existing partners.

We appreciate your patience and will let you know when we are able to lift/change this policy to accept new LIAs and expand growth. Please contact your assigned Contract or Program Manager if you have any questions regarding any of the above clarifications.



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